OUDTSHOORN

MUNICIPALITY

[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2009

Index

Contents	*Page*
General Information	1
Approval of the Financial Statements	2
Statement of Financial Position	3
Statement of Financial Performance	4
Statement of Changes In Net Assets	5
Cash Flow Statement	6
Accounting Policy	7 - 23
Notes to the Financial Statements	24 - 41
APPENDICES	
A Schedule of External Loans	42
B Analysis of Property, Plant and Equipment	43 - 44
C Segmental Analysis of Property, Plant and Equipment	45
D Segmental Statement of Financial Performance - Municipal Votes	46
D (1) Segmental Statement of Financial Performance - GFS Classifications	47
E (1) Actual Versus Budget (Revenue and Expenditure)	48
E (2) Actual Versus Budget (Acquisition of Property, Plant and Equipment)	49
F Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	50
G Annual Financial Statements of Klein Karoo Rural Water Supply Scheme on 30 June 2009	51 - 73

OUDTSHOORN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

GENERAL INFORMATION

NATURE OF BUSINESS

Oudshoorn Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality WC045 (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Oudshoorn Municipality includes the following areas:
Oudshoorn, Dysselsdorp, De Rust, Armoed, De Hoop

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	D de Jager
Deputy Executive Mayor	JC Swartbooi
Speaker	J Coetzee
Executive Councillor	JD Swigelaar
Executive Councillor	G April
Executive Councillor	N Gunguluza

MUNICIPAL MANAGER

W Rabbets - Municipal Manager

CHIEF FINANCIAL OFFICER (ACTING)

Mr T Mathyssen - Chief Financial Officer

REGISTERED OFFICE

PO Box 255
Oudshoorn
6625

AUDITORS

Office of the Auditor General
Private Bag X1
CHEMPET
7442

PRINCIPLE BANKERS

ABSA
STANDARD BANK

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

2008 / 2009

MEMBERS OF THE OUDTSHOORN MUNICIPALITY

WARD	COUNCILLOR
1	J Olivier
2	P Nel
3	D de Jager
4	C Stemmet
5	J Harmse
6	J Coetzee
7	S Biljohn
8	N Gunguluza
9	E Ngalo
10	N Soman
11	W Kawa
12	G April
Proportional	E Fortuin
Proportional	H Lamprecht
Proportional	M May
Proportional	C Ngalo
Proportional	B Pannas
Proportional	G Phillips
Proportional	EE September
Proportional	J Swartbooi
Proportional	JD Swigelaar
Proportional	C Wagenaar

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 74 in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

WP Rabbets
Municipal Manager

Date

OUDTSHOORN MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

	Note	2009 R	2008 R
NET ASSETS AND LIABILITIES			
Net assets		**143 355 541**	**142 869 924**
Housing Development Fund	**2**	1 629 680	1 629 680
Insurance Reserve	**3**	-	-
Capital Replacement Reserve	**3**	5 877 022	5 877 022
Accumulated Surplus/(Deficit)		135 848 837	135 363 221
Non-current liabilities		**88 388 109**	**89 137 230**
Long-term liabilities	**4**	52 106 877	55 955 075
Non-current Employee Benefits	**5**	36 281 232	33 182 156
Current liabilities		**61 061 104**	**118 599 821**
Consumer deposits	**6**	4 303 921	4 044 676
Employee Benefits	**7**	5 391 494	6 030 328
Trade payables	**8**	26 827 253	52 130 131
Unspent conditional government grants and receipts	**9**	19 288 641	15 310 224
Unspent conditional public contributions and receipts	**0**	-	-
Taxes	**10**	-	-
Short-term loans	**11**	-	-
Operating Lease Liability	**21**	122	3 229
Cash and cash equivalents	**22**	-	16 273 656
Current portion of long-term liabilities	**4**	5 249 673	24 807 578
Total Net Assets and Liabilities		**292 804 754**	**350 606 977**
ASSETS			
Non-current assets		**179 730 156**	**195 726 947**
Property, plant and equipment	**12**	179 533 713	177 598 757
Intangible Assets	**15**	196 443	271 650
Investments	**16**	-	17 829 533
Long-term receivables	**17**	-	27 007
Current assets		**113 074 598**	**154 880 029**
Inventory	**18**	1 140 316	2 289 320
Trade receivables from exchange transactions	**19**	14 542 349	13 456 021
Other receivables from non-exchange transactions	**20**	18 450 537	14 442 919
Unpaid conditional government grants and subsidies	**9**	4 798 160	4 959 259
Operating Lease Asset	**21**	30 226	35 785
Taxes	**10**	2 703 635	1 154 108
Current portion of long-term receivables	**17**	23 497	31 292
Cash and cash equivalents	**22**	71 385 877	118 511 326
Total Assets		**292 804 754**	**350 606 977**

OUDTSHOORN MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 R	2008 R
REVENUE			
Revenue from Non-exchange Transactions		**100 912 129**	**70 762 520**
Taxation revenue		**33 204 676**	**29 765 724**
Property rates	**23**	33 204 676	29 765 724
Transfer revenue		**63 605 934**	**40 239 612**
Government grants and subsidies	**25**	63 605 934	40 239 612
Public Contributions and Donations			-
Other non-exhange revenue		**4 101 519**	**757 184**
Fines		3 212 079	726 825
Third party payments		118 274	30 359
Stock Adjustments		-	-
Actuarial gains	**5**	771 167	-
Other		-	-
Revenue from Exchange Transactions		**161 027 862**	**130 538 625**
Property rates		-	-
Service charges	**24**	117 796 517	106 672 010
Rental of facilities and equipment		1 882 930	1 830 742
Interest earned - external investments		12 394 158	12 088 589
Interest earned - outstanding debtors		2 420 123	1 441 015
Dividends received		-	-
Licences and permits		1 836 407	1 187 537
Income from agency services		7 621 248	2 853 026
Other income	**26**	17 076 479	4 465 706
Total Revenue		**261 939 991**	**201 301 144**
EXPENDITURE			
Employee related costs	**27**	75 116 224	57 244 564
Remuneration of Councillors	**28**	5 304 054	4 794 410
Contribution to Bad debts provision	**29**	10 529 246	1 942 123
Collection costs		-	-
Depreciation and amortisation	**12,14 & 15**	15 630 141	14 251 801
Impairments			704 582
Repairs and maintenance		15 582 932	10 075 021
Interest paid	**30**	15 975 233	11 932 348
Unamortised discount - Interest	**4**	-	-
Actuarial losses	**5**	128 375	4 961 575
Bulk purchases	**31**	42 409 451	33 480 167
Contracted services		3 481 747	2 739 251
Grants and subsidies paid	**32**	365 109	364 979
Operating Grant Expenditure	**App "F"**	33 383 409	29 574 846
General expenses	**33**	43 548 454	22 793 759
Total Expenditure		**261 454 375**	**194 859 426**
Operating Surplus for the year		**485 616**	**6 441 719**
Gains on disposal of property, plant and equipment		-	39 176
Loss on disposal of property, plant and equipment		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		**485 616**	**6 480 895**
NET SURPLUS/(DEFICIT) FOR THE YEAR		**485 616**	**6 480 895**

Refer to Appendix E(1) for explanation of variances

OUDTSHOORN MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	Housing Development fund	Capital Replacement Reserve	Insurance Reserve	Accumulated Surplus/ (Defecit)	Total
		R	R	R	R
2007					
Balance at 30 June 2007	2 503 701	5 877 022	(542 929)	144 877 887	152 715 682
Change in accounting policy - See Note 34.01	-	-	542 929	(30 510 190)	(29 967 261)
Correction of error - Notes 35.05	-	-	-	12 275 755	12 275 755
Restated balance	**2 503 701**	**5 877 022**	**-**	**126 643 452**	**135 024 175**
2008					
Net surplus/(deficit) for the year		-	-	6 480 895	6 480 895
Rounding				10	
Transfer from/(to) Housing Development Fund	(874 021)	-	-	874 021	-
Balance at 30 JUNE 2008	**1 629 680**	**5 877 022**	**-**	**133 998 378**	**141 505 071**
			-		
2009					
Correction of error - Notes 35.05		-		1 364 843	1 364 843
Change in accounting policy - See Note 34.01		-	-	-	-
Restated balance	**1 629 680**	**5 877 022**	**-**	**135 363 221**	**142 869 914**
Net surplus/(deficit) for the year	-	-	-	485 616	485 616
Transfer to/from CRR	-	-	-	-	-
Property, plant and equipment purchased	-	-	-	-	-
Capital grants used to purchase PPE	-	-	-	-	-
Capital grants used to purchase Intangible Assets	-	-	-	-	-
Rounding				-	-
Transfer from/(to) Housing Development Fund	-	-	-	-	-
Balance at 30 JUNE 2009	**1 629 680**	**5 877 022**	**-**	**135 848 837**	**143 355 530**
			-		

OUDTSHOORN MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		232 385 571	197 919 269
Cash paid to suppliers and employees		(236 883 876)	(125 943 096)
Cash generated from/(utilised in) operations	**35**	**(4 498 305)**	**71 976 172**
Interest received		12 394 158	12 088 589
Interest paid		(15 975 233)	(9 493 502)
NET CASH FROM OPERATING ACTIVITIES		**(8 079 380)**	**74 571 260**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(17 445 600)	(27 414 439)
Proceeds on disposal of fixed assets		-	40 072
Increase in Intangible Assets		(44 289)	(30 740)
(Increase)/decrease in long-term receivables		34 802	107 345
(Increase)/decrease in non-current investments		17 829 533	(1 243 983)
NET CASH FROM INVESTING ACTIVITIES		**374 445**	**(28 541 745)**
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(23 406 102)	(4 776 270)
Increase in consumer deposits		259 245	235 314
NET CASH FROM FINANCING ACTIVITIES		**(23 146 857)**	**(4 540 956)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(30 851 792)**	**41 488 559**
Cash and cash equivalents at the beginning of the year		**102 237 670**	**60 749 111**
Cash and cash equivalents at the end of the year		**71 385 877**	**102 237 670**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(30 851 792)**	**41 488 559**

See Note 34.04 for restatement of comparative figures for Cash and Cash Equivalents.

		2009 R	2008 R
2	**HOUSING DEVELOPMENT FUND**		
	Housing Development Fund	1 629 680	1 629 680
	Unappropriated Surplus	1 629 680	1 629 680
	Total Housing Development Fund Assets and Liabilities	**1 629 680**	**1 629 680**
3	**NETT ASSET RESERVES**		
	RESERVES	5 877 022	5 877 022
	Capital Replacement Reserve	5 877 022	5 877 022
	Sub-total	5 877 022	5 877 022
	Total Nett Asset Reserve Assets and Liabilities	**5 877 022**	**5 877 022**
4	**LONG TERM LIABILITIES**		
	Annuity Loans - At amortised cost	1 838 883	22 090 948
	Development Bank	52 541 780	56 053 892
	Capitalised Lease Liability - At amortised cost	2 975 887	2 617 812
	Sub-total	**57 356 550**	**80 762 652**
	Less : Current portion transferred to current liabilities	**(5 249 673)**	**(24 807 578)**
	Annuity Loans	(3 861 459)	(23 931 185)
	Finance Leases	(1 388 214)	(876 393)
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	**52 106 877**	**55 955 075**
	Annuity loans at amortised cost is calculated at 10.07%-15.67% interest rate, with first maturity date of 31 March 2014 and last maturity date of 30 June 2027. The schedule of contractual maturity analysis for Annuity Loans:		
	Maturity within one year	-	20 071 926
	Maturity within two to five years	7 881 433	-
	Maturity after five years	46 499 230	58 072 915
	Present value of annuity loan obligations	54 380 663	78 144 841
	No assets are pledged as security for annuity loans raised according to loan contracts.		
	The obligations under finance leases are scheduled below:	**Minimum lease payments**	
	Amounts payable under finance leases:		
	Payable within one year	1 401 187	1 143 318
	Payable within two to five years	2 165 514	2 013 760
	Payable within two to five years	-	-
		3 566 701	3 157 078
	Less: Future finance obligations	(590 814)	(539 267)
	Present value of lease obligations	**2 975 887**	**2 617 812**
	Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance leases.		
	Leases are secured by property, plant and equipment - Note 12		
5	**NON-CURRENT EMPLOYEE BENEFITS**		
	Non-current provision liabilities		
	Provision for Post Retirement Benefits	33 876 249	31 326 715
	Provision for Long Service Awards	2 404 983	1 855 441
	Total	**36 281 232**	**33 182 156**
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 49.1		
	Post Retirement Benefits		
	Balance 1 July	33 353 295	27 870 858
	Contribution for the year	(2 026 580)	(2 186 408)
	Expenditure for the year	4 730 629	3 149 693
	Actuarial Loss(Gain)	(771 167)	4 519 152
	Total provision 30 June	35 286 177	33 353 295
	Less: Transfer of current portion to current provisions - Note 7	(1 409 928)	(2 026 580)
	Balance 30 June	**33 876 249**	**31 326 715**
	Long Service Awards		
	Balance 1 July	2 404 775	2 117 184
	Contribution for the year	(549 334)	(621 528)
	Expenditure for the year	594 043	466 696
	Actuarial Loss(Gain)	128 375	442 423
	Total provision 30 June	2 577 859	2 404 775
	Less: Transfer of current portion to current provisions - Note 7	(172 876)	(549 334)
	Balance 30 June	**2 404 983**	**1 855 441**

	2009 R	2008 R
TOTAL NON-CURRENT PROVISIONS		
Balance on 1 July before restatement	35 758 070	29 988 042
Change in accounting policy - Note	-	-
Restated Opening Balance	35 758 070	29 988 042
Contribution for the year	(2 575 914)	(2 807 936)
Expenditure for the year	5 324 672	3 616 389
Actuarial Loss(Gain)	(642 792)	4 961 575
Total provision 30 June	37 864 036	35 758 070
Less: Transfer of current portion to current provisions - Note 7	(1 582 804)	(2 575 914)
Balance 30 June	**36 281 232**	**33 182 156**

5.1 **Provision for Post Retirement Benefits**

The Post Retirement Benefit plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	333	333
Continuation members (e.g. retirees, widows, orphans)	83	83
Total Members	**416**	**416**

The liability in respect of past service has been estimated to be as follows:

In-service members	13 693 336	12 943 252
Continuation members	21 592 841	20 410 043
Total Liability	**35 286 177**	**33 353 295**

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
Hosmed
LA Health
Key Health, and
SAMWU Medical Aid
Prosano

The Current-service Cost for the year ending 30 June 2009 is estimated at R 1,181,991. It is estimated to be R 1,293,014 for the ensuing year.

NON-CURRENT PROVISIONS CONTINUE

Key actuarial assumptions used:

	%	%
i) Rate of interest		
Discount rate	9.19%	10.84%
Health Care Cost Inflation Rate	7.77%	9.68%
Net Effective Discount Rate	1.32%	1.06%

ii) Mortality rates
The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age
The normal retirement age for employees of the municipality is 60 years.

5.2 **Provision for Long Service Bonuses**

The Long Service Bonus plans are defined benefit plans. As at year end, 538 employees were eligible for Long Service Bonuses.

The Current-service Cost for the years ending 30 June 2009 and 30 June 2010 are estimated at R 344,679 and R 339,772 respectively.

Key actuarial assumptions used:

	%	%
i) Rate of interest		
Discount rate	9.12%	10.97%
General Salary Inflation (long-term)	6.60%	9.13%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.37%	1.69%

CAPE JOINT RETIREMENT FUND

This fund comprises a defined benefit section and a defined contribution section. The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. In respect of the defined contribution section the last valuation performed for the year ended 30 June 2008 (30 June 2007) revealed that the fund had an actuarial surplus of R12,033 (R 20,22) million with a funding level of 103,3% (105.3%) and is in a sound financial position as at 30 June 2008.

MUNICIPAL COUNCILLORS PENSION

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and council (15%). The financial statements of the fund have not been audited since June 2006 and the financial position of the fund is not available.

6 **CONSUMER DEPOSITS**

Water	2 154 918	2 154 918
Electricity	2 156 306	1 877 108
Other	(7 303)	12 650
Total Consumer Deposits	**4 303 921**	**4 044 676**

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

		2009 R	2008 R
7	**EMPLOYEE BENEFITS**		
	Performance Bonuses	-	179 375
	Staff Leave	3 808 690	3 275 039
	Current Portion of Non-Current Provisions	1 582 804	2 575 914
	Current portion of post retirement benefits - Note 5	1 409 928	2 026 580
	Current portion of long-service provision - Note 5	172 876	549 334
	Total Employee Benefits	**5 391 494**	**6 030 328**
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 49.1		
	The movement in current provisions are reconciled as follows: -		
		Current portion	**Current portion**
	Post Retirement Benefits		
	Balance at beginning of year	2 026 580	-
	Transfer from non-current	1 409 928	2 026 580
	Expenditure incurred	(2 026 580)	-
	Balance at end of year	**1 409 928**	**2 026 580**
	Long Service Awards		
	Balance at beginning of year	549 334	-
	Transfer from non-current	172 876	549 334
	Expenditure incurred	(549 334)	-
	Balance at end of year	**172 876**	**549 334**
	Staff Leave Reconciliation		
	Balance at beginning of year	3 275 039	3 522 539
	Contribution during the year	3 808 690	3 275 039
	Paid out during the year	(3 275 039)	(3 522 539)
	Balance at end of year	**3 808 690**	**3 275 039**
	Performance Bonuses		
	Balance at beginning of year	179 375	-
	Transfer back to Performance Bonus Expenditure	(50 863)	-
	Contribution during the year	-	179 375
	Expenditure incurred	(128 513)	-
	Balance at end of year	**-**	**179 375**
	TOTAL - CURRENT EMPLOYEE BENEFITS		
	Balance at beginning of year	6 030 328	3 522 539
	Transfer from non-current	1 531 942	2 575 914
	Contribution during the year	3 808 690	3 454 414
	Expenditure incurred	(5 979 465)	(3 522 539)
	Balance at end of year	**5 391 494**	**6 030 328**
8	**TRADE PAYABLES**		
	Sundry Payables		
	Trade payables	1 351 264	13 343 128
	Payments received in advance	2 888 405	2 077 098
	Other Creditors	21 907 031	33 272 890
	Correction of error - Note 35.11	-	2 905 824
	Deposits: Other	680 553	531 191
	Total Trade Payables	**26 827 253**	**52 130 131**
9	**UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**		
9.01	***Conditional Grants from other spheres of Government***		
	Unspent conditional government grants and receipts	19 288 641	15 310 224
	Unpaid conditional government grants and subsidies	(4 798 160)	(4 959 259)
	Total Conditional Grants and Receipts	**14 490 481**	**10 350 965**
	See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.		
10	**TAXES**		
	VAT receivable	2 703 635	1 154 108
	Correction of error - Note 35.12		
		2 703 635	**1 154 108**
	VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.		
11	**SHORT-TERM LOANS**		
	The Municipality has no short term loans.		

Propert, Plant and Equipment note fits in here - on separate worksheet

		2009 R	2008 R
13	**NON-CURRENT ASSETS HELD FOR SALE**		
	Non-current assets held for sale at beginning of year - at book value	-	-
	Additions for the year		-
		-	-
	Non-current assets sold/written off during the year	-	-
	Non-current assets held for sale at end of year - at book value	-	-
	Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice. Refer to Note 50		
14	**INVESTMENT PROPERTY**		
	Net Carrying amount at 1 July	-	-
	Cost	-	
	Accumulated Depreciation		
	Transfer to Property, Plant and Equipment - Note 12	-	-
	Transfer to Property, Plant and Equipment - Cost		-
	Transfer to Property, Plant and Equipment - Depreciation		-
	Acquisitions	-	-
	Depreciation for the year		
		-	-
	Cost	-	-
	Accumulated Depreciation	-	-
	Net Carrying amount at 30 June	-	-
	The fair value of Investment Properties, as valued by the municipality's valuer, is estimated at:		
	year.		
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 49.3		
15	**INTANGIBLE ASSETS**		
	Carrying values at the beginning of the year	**271 650**	**390 513**
	Cost	2 463 870	2 433 130
	Accumulated amortisation	(2 192 221)	(2 042 617)
	Acquisition for the year	44 289	30 740
	Amortisation for the year	(119 497)	(149 603)
	Carrying values at the end of the year	196 443	271 650
	Cost	**2 508 160**	**2 463 870**
	Accumulated amortisation	**(2 311 717)**	**(2 192 221)**
	Total Intangible Assets	**196 443**	**271 650**
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 49.4		
16	**INVESTMENTS**		
	Financial Instruments		
	Unlisted		
	Long term deposits	-	17 829 533
	Total Investments	-	**17 829 533**
	No investments have been pledged as security for any funding facilities of the council.		
	Investments are made in terms of the municipality's Cash Management and Investment Policy, as required by means of Regulation R 308 of 1 April 2005 gazetted in the Government Gazette No 27431 of 1 April 2005 and issued by the Minister of Finance.		
17	**LONG TERM RECEIVABLES**		
	Staff Car Loans - At amortised cost	23 497	52 181
	Sundry deposits - At amortised cost	-	6 118
		23 497	**58 299**
	Less : Current portion transferred to current receivables	**(23 497)**	**(31 292)**
	Staff Loans - At amortised cost	(23 497)	(31 292)
	Total Long Term Receivables	-	**27 007**
	The provision for doubtful debts on other debtors (loans and receivables) exists due to the possibility that not all these debts will be recovered. Loans and receivables were assessed individually and grouped together at the		
18	**INVENTORY**		
	Consumable Stores - Stationery and materials - At cost	1 140 316	2 289 320
	Total Inventory	**1 140 316**	**2 289 320**
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 49.5		

		2009 R	2008 R
19	**TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Water	14 871 811	11 475 889
	Electricity	8 839 321	5 466 833
	Housing Rentals	4 172	6 800
	Refuse	11 927 431	9 942 265
	Sewerage	13 012 304	11 822 921
	Payment received in advance	2 439 633	2 077 098
	Other Arrears	3 077 491	4 441 482
	Total : Trade receivables from exchange transactions (before provision)	**54 172 164**	**45 233 289**
	Provision for impairments (including other receivables from non-exchange transactions)	(39 629 815)	(31 777 267)
	Total : Trade receivables from exchange transactions (after provision)	**14 542 349**	**13 456 021**
	(Electricity): Ageing		
	Current (0-30 days)	5 030 117	3 216 171
	31 - 60 Days	1 455 783	687 583
	61 - 90 Days	361 633	264 799
	91 - 120 Days	496 699	166 604
	121-365 Days	689 412	313 877
	+ 365 Days	915 174	817 799
	Total	**8 948 819**	**5 466 833**
	(Water): Ageing		
	Current (0-30 days)	1 466 861	1 207 452
	31 - 60 Days	839 843	820 155
	61 - 90 Days	826 441	776 536
	91 - 120 Days	1 371 279	689 230
	121-365 Days	2 713 345	3 101 477
	+ 365 Days	8 465 419	4 881 039
	Total	**15 683 189**	**11 475 889**
	(Rent): Ageing		
	Current (0-30 days)	-774	12
	31 - 60 Days	12	12
	61 - 90 Days	12	12
	91 - 120 Days	24	12
	121-365 Days	73	12
	+ 365 Days	4 771	6 739
	Total	**4 119**	**6 800**
	(Refuse): Ageing		
	Current (0-30 days)	206 048	536
	31 - 60 Days	62 149	31 074
	61 - 90 Days	67 070	55 726
	91 - 120 Days	64 741	28 271
	121-365 Days	365 407	243 977
	+ 365 Days	11 230 271	9 582 680
	Total	**11 995 686**	**9 942 265**
	(Sewerage): Ageing		
	Current (0-30 days)	389 138	-66 373
	31 - 60 Days	99 266	59 360
	61 - 90 Days	100 866	98 116
	91 - 120 Days	113 249	54 249
	121-365 Days	531 705	390 413
	+ 365 Days	12 379 854	11 287 156
	Total	**13 614 078**	**11 822 921**
	(Other): Ageing		
	Current (0-30 days)	100 645	1 806 191
	31 - 60 Days	92 658	194 179
	61 - 90 Days	73 260	40 600
	91 - 120 Days	99 255	46 644
	121-365 Days	293 456	248 302
	+ 365 Days	1 535 056	2 105 568
	Total	**2 194 329**	**4 441 482**
	(Total): Ageing		
	Current (0-30 days)	7 192 034	6 163 989
	31 - 60 Days	2 549 711	1 792 363
	61 - 90 Days	1 429 282	1 235 789
	91 - 120 Days	2 145 247	985 010
	121-365 Days	4 593 399	4 298 059
	+ 365 Days	34 530 546	28 680 982
	Total	**52 440 220**	**43 156 191**
	Reconciliation of Provision for Bad Debts		
	Balance at beginning of year	41 111 836	39 333 180
	Contribution to provision	10 529 246	1 942 123
	Bad Debts (written off)	(6 897)	(163 466)
	Balance at end of year	**51 634 185**	**41 111 836**

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

		2009 R	2008 R
20	**OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Rates	14 909 782	11 979 699
	Correction of error - Note 35.02	-	913 978
	Payment received in advance	448 772	-
	Other debtors	15 096 354	10 883 810
		30 454 907	23 777 488
	Less : Provision for bad debts	(12 004 370)	(9 334 569)
	Total	**18 450 537**	**14 442 919**
	Rates: Ageing		
	Current (0-30 days)	1 403 672	(138 143)
	31 - 60 Days	135 946	413 356
	61 - 90 Days	128 865	78 933
	91 - 120 Days	166 853	74 313
	121-365 Days	892 522	506 056
	+ 365 Days	12 686 933	11 045 184
	Total	**15 414 790**	**11 979 699**

The Provision for Impairment in Note 19 above include impairments for other receivables from non-exchange transactions.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The fair value of other receivables approximate their carrying value.

The provision for doubtful debts on other debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

21 OPERATING LEASE ARRANGEMENTS

Leases (AC 105) Recognising operating lease payments / receipts on a straight line basis if the amount is recognised on the basis of the cash flows in the lease agreement. [SAICA Circular 12/06 paragraphs 8-11 and paragraphs 33, 34, 50, 51 of AC 105)]

***21.01* The Municipality as Lessee:**

The Municipality as Lessee

Balance on 1 July	3 229	
Operating Lease Liability previously not recognised - Note 35.05 and Note 34.08		8 991
Operating Lease Liability previously not recognised for 2007-08 - Note 34.09 and Note 34.08		(5 762)
Movement during the year	(3 107)	
Balance on 30 June	122	3 229

At the Statement of Financial Position date the municipality had outstanding commitments under non-cancellable operating leases, which fall due as follows:

Up to 1 year	732	41 581
2 to 5 years	-	732
More than 5 years	-	-
Total Operating Lease Arrangements	**732**	**42 313**

***21.02* The Municipality as Lessor**

The Municipality as Lessee

Balance on 1 July	35 785	
Operating Lease Asset previously not recognised - Note 35.05 and Note 34.07		29 772
Operating Lease Asset previously not recognised for 2007-08 - Note 34.09 and Note 34.07		6 013
Operating Lease Asset for the current year	(5 560)	
Balance on 30 June	30 226	35 785

At the Statement of Financial Position date, where the municipality acts as a lessor under non-cancellable operating leases, it will receive operating lease income as follows:

Up to 1 year	213 351	222 214
2 to 5 years	302 777	457 712
More than 5 years	959	59 375
Total Operating Lease Arrangements	**517 087**	**739 301**

22 CASH AND CASH EQUIVALENTS

Assets		
Bank Accounts	2 659 770	37 282 432
Call Investment Deposit	68 716 974	77 893 565
Correction of error - Note 35.04	-	3 327 095
Cash Floats	9 134	8 234
Total Cash and Cash Equivalents - Assets	**71 385 877**	**118 511 326**
Liabilities		
Bank Accounts	-	15 815 631
Restatement of bank balances - 30 June 2007 - Note 35.04	-	458 026
Total Cash and Cash Equivalents - Liabilities	**-**	**16 273 656**
Total Cash and Cash Equivalents	**71 385 877**	**102 237 670**

Call Investment Deposits to an amount of R 19288641.12 are held to fund the Unspent Conditional Grants (2008: R 15310223.59

		2009 R	2008 R
	The Municipality has the following bank accounts: -		
	Current Accounts		
	Primary Account - Cash book balance beginning of the year:	(16 273 656)	(838 065)
	Primary Account - Cash book balance end of the year:	-	(16 273 656)
	ABSA Bank Limited - Account Number 11-2000-0078:		
	Bank statement balance at beginning of year	-	(245 343)
	Bank statement balance at end of year	-	-
	ABSA Bank Limited - Account Number 11-2000-0035:		
	Bank statement balance at beginning of year	1 297 281	939 726
	Bank statement balance at end of year	-	1 297 281
	Standard Bank - Account Number 0000082796068:		
	Bank statement balance at beginning of year	(364 554)	2 012 031
	Bank statement balance at end of year	3 698 887	(364 554)
	Standard Bank - Account Number 082795754:		
	Bank statement balance at beginning of year	52 676	232 192
	Bank statement balance at end of year	571 152	52 676
	Standard Bank - Account Number 082795428:		
	Bank statement balance at beginning of year	3 413 923	-
	Bank statement balance at end of year	6 192 089	3 413 923
	Standard Bank - Account Number 082796181:		
	Bank statement balance at beginning of year	(1 318)	-
	Bank statement balance at end of year	100	(1 318)
	Standard Bank - Account Number 180686682:		
	Bank statement balance at beginning of year	173 978	-
	Bank statement balance at end of year	186 835	173 978
23	**PROPERTY RATES**		
	Actual		
	Rateable Land and Buildings	34 646 156	30 183 454
	Less: Rebates	1 441 480	417 730
	Total Assessment Rates	**33 204 676**	**29 765 724**
	Valuations - 1 July 2008		
	Rateable Land and Buildings	**6 188 726 626**	**1 881 979 531**
	Residential	3 538 915 500	1 089 758 950
	Commercial	850 448 640	266 078 200
	State	635 848 695	258 539 260
	Pensioners	15 645 500	8 046 000
	Church	215 584 650	73 706 370
	Deviations	132 447 000	41 373 000
	Agricultural	799 326 475	143 917 585
	Building Clause	510 166	560 166
	Less: Income Foregone		
	Total Assessment Rates	**6 188 726 626**	**1 881 979 531**

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2008. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

A rate in the rand for domestic properties of R 0.005919 was charged on site values. Business was charged at a rate in the rand of R 0.007921 on site values.

Properties used for domestic purposes and consisting of both land and improvements are subject to a R 15,000 valuation reduction. There are also different rebates and phased in tariffs for different sectors of the community. Interest on arrear accounts are charged at bank rate plus one.

Rates are levied monthly and payable by the 10th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

24	**SERVICE CHARGES**		
	Electricity	76 268 937	62 668 554
	Service charges	76 336 478	62 810 538
	Less: Rebates	(67 541)	(141 984)
	Water	23 417 351	24 238 315
	Service charges	23 451 867	24 248 314
	Less: Rebates	(34 516)	(9 999)
	Refuse removal	5 867 739	7 703 466
	Service charges	7 503 410	8 415 147
	Less: Rebates	(1 635 671)	(711 681)
	Sewerage and Sanitation Charges	12 242 490	12 061 675
	Service charges	13 930 580	12 988 993
	Less: Rebates	(1 688 090)	(927 319)
	Other Service Charges - Private Works		
	Total Service Charges	**117 796 517**	**106 672 010**

Revenue (GAMAP 9): Initial measurement of fair value is discounting all future receipts using an imputed rate of interest. [SIACA Circular 09/06 and paragraph 12]

		2009 R	2008 R
25	**GOVERNMENT GRANTS AND SUBSIDIES**		
	Equitable Share	22 583 315	16 750 264
	Other Grants and subsidies	41 022 619	23 489 348
	Total Government Grants and Subsidies	**63 605 934**	**40 239 612**

25.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to the community. All registered indigents receive a monthly subsidy towards the cost of basic services, which is funded from this grant.

26	**OTHER REVENUE**		
	Admin fees	1 303 099	26 521
	Implementation of GRAP		
	Entry fees	-	-
	Tents	-	-
	Fees buildingplans	3 690	206 299
	Parking Fees	83 749	163 604
	Cemeteries	417 328	486 479
	Private telephone calls	22 355	102 967
	Sundries	15 222 783	3 417 007
	Infrastructure levies	-	-
	Rezoning and Usage	23 475	62 828
	Total Other Income	**17 076 479**	**4 465 706**
27	**EMPLOYEE RELATED COST**		
	Salaries and Wages	46 517 373	33 506 313
	Contributions for UIF	633 343	340 243
	Contributions for Pensions	7 281 575	6 526 319
	Contributions for Medical Aids	3 671 965	4 197 282
	Contributions for Group Insurance	587 593	403 598
	Travelling Allowance	1 488 176	1 198 065
	Telephone Allowance	753 643	219 204
	Standby Allowance	831 511	509 135
	Housing Benefits and Allowances	1 383 470	832 736
	Acting Allowances	61 837	-
	Other Allowances	406 087	460 435
	Bargaining Council	24 212	40 076
	Overtime Payments	3 130 722	1 960 088
	Bonuses	3 325 470	3 445 940
	Leave payment	819 274	-
	Severence Package	-	1 500 000
	Temporary Personnel	1 152 731	475 602
	Workmens Conpensation	976 182	-
	Skills Development Levy	541 465	451 985
	Contribution to provision -Long Service Awards - Note 5	-	879 963
	Contribution to provision - Post Retirement Medical - Note 5	-	297 580
		73 586 628	**57 244 564**
	Less: Employee Costs allocated elsewhere		
	Total Employee Related Costs	**73 586 628**	**57 244 564**

KEY MANAGEMENT PERSONNEL

Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager		
Annual Remuneration	648 320	812 250
Traveling Allowance	107 732	120 000
Telephone Allowance		
Performance Bonus	82 500	
Contributions to UIF, Medical and Pension Funds	2 745	
Total	**841 297**	**932 250**
Remuneration of Director : Corporate Services		
Annual Remuneration	892 162	690 413
Car Allowance	108 000	72 000
Telephone allowance		
Performance Bonus	47 916	
Contributions - UIF, Medical, Pension	131 037	41 194
Total	**1 179 115**	**803 607**

The Municipal Manager was employed for the period 1/7/2008 until 28/2/2008.An acting Municipal Manager was appointed on 1/4/2008.Apart of the Director Corporate Services all other section 57 directors were only acting during the 2008/09 financial year,

28	**REMUNERATION OF COUNCILLORS**		
	Allowances - Councillors and Chairpersons of committees	4 747 422	4 628 616
	Pension fund contributions	556 632	165 794
	Total Councillors' Remuneration	**5 304 054**	**4 794 410**

In-kind Benefits

The Executive Mayor, Executive Deputy Mayor, Speaker and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality. The Executive Mayor may utilise official Council transportation when engaged in official duties.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

……

Signed: Municipal Manager

		2009 R	2008 R
29	**CONTRIBUTION TO BAD DEBTS PROVISION**		
	Trade Receivables form exchange transactions - Note 19	10 529 246	1 942 123
	Total Contribution to Bad debts provision	**10 529 246**	**1 942 123**
30	**INTEREST PAID EXTERNAL BORROWINGS**		
	Long-term liabilities	3 798 002	2 438 846
	Interest Paid	12 177 231	9 493 502
	Total Interest on External Borrowings	**15 975 233**	**11 932 348**
31	**BULK PURCHASES**		
	Electricity	41 015 033	32 706 805
	Water	1 394 418	773 362
	Total Bulk Purchases	**42 409 451**	**33 480 167**
32	**GRANTS AND SUBSIDIES PAID**		
	SPCA	100 109	100 000
	Local Tourism Bureau	265 000	264 979
	Total Grants and Subsidies	**365 109**	**364 979**
33	**GENERAL EXPENSES**		
	General Expenses	**43 548 453**	**22 793 759**

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.

34 CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 - IMPLEMENTATION OF GAMAP/GRAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP:

		2008 R	2007 R
34.01	***Statutory Funds***		
	Balance previously reported: -		
	Insurance Reserve		-542 929
	Total	**-**	**-542 929**
	Implementation of GRAP		
	Transferred to the Capitalisation Reserve		
	Transfer to Accumulated Surplus/deficit - See Note 34.03 below	-	-542 929
	Total	**-**	**-542 929**
34.02	***Property, plant and equipment - GRAP 17***		
	Implementation of GRAP		
	Finance Lease Assets restated out of surplus and creation of Finance Leases - Note 34.03		1 743 900
	Total	**-**	**1 743 900**
34.03	***Accumulated Surplus/(Deficit)***		
	Implementation of GRAP		
	Transferred from statutory funds - Note 34.01	-	-542 929
	Non-current Employee Benefits previously not recognised - Note 34.05	-	(27 180 106)
	Current Employee Benefits previously not recognised - Note 34.06	-	(2 807 936)
	Operating Lease Asset previously not recognised - Note 34.07 and Note 21.02	-	29 772
	Operating Lease Liability previously not recognised - Note 34.08 and Note 21.01	-	(8 991)
	Total	**0**	**-30 510 190**
34.04	***Long-term Liabilities***		
	Balance previously reported		-
	Implementation of GRAP		
	Finance Lease Assets restated out of surplus and creation of Finance Leases - Note 34.03		-1 241 534
	Total	**-**	**(1 241 534)**
34.05	***Non-Current Employee Benefits***		
	Balance previously reported		
	Opening balance GRAP movements 2007	27 180 106.24	-
	Implementation of IAS 19		
	Transfer to Accumulated Surplus/(Deficit)	6 002 049.51	27 180 106.24
	Post Employment Medical Benefit Fund not previously recognised transferred from Accumulated Surplus - Note 34.03 & Note 34.09	5 642 265.00	25 684 449.84
	Long-service not previously recognised transferred from Accumulated Surplus - Note 34.03 & Note 34.09	359 784.51	1 495 656.40
	Total	33 182 155.75	27 180 106.24
34.06	***Current Employee Benefits***		
	Balance previously reported		
	Opening balance GRAP movements 2007	2 807 935.76	-
	Implementation of IAS 19		
	Transfer to Accumulated Surplus/(Deficit)	-232 021.51	2 807 935.76
	Post Employment Medical Benefit Fund not previously recognised transferred from Accumulated Surplus - Note 34.03 & Note 34.09	-159 828.00	2 186 408.16
	Long-service not previously recognised transferred from Accumulated Surplus - Note 34.03 & Note 34.09	-72 193.51	621 527.60
	Total	2 575 914.25	2 807 935.76

		2008 R	2007 R
34.07	***Operating Lease Assets***		
	Balance previously reported	-	-
	Opening balance of the 2008 restatements	29 772	-
	Implementation of GRAP		
	Operating Lease Asset previously not recognised - Note 35.05 and Note 21.02	-	29 772
	Operating Lease Asset previously not recognised for 2007-08 - Note 34.09 and Note 21.02	6 013	-
	Net increase in taxes - Note	**35 785**	**29 772**
34.08	***Operating Lease Liability***		
	Balance previously reported	-	-
	Opening balance of the 2008 restatements	(8 991)	-
	Implementation of GRAP		
	Operating Lease Liability previously not recognised - Note 35.05 and Note 21.01	-	(8 991)
	Operating Lease Liability previously not recognised for 2007-08 - Note 34.09 and Note 21.01	5 762	-
	Net increase in taxes - Note	**(3 229)**	**(8 991)**
34.09	***Changes to Statement of Financial Performance***		
	Balance previously reported	12 209 554	-
	Opening balance of the 2008 restatements	-	-
	Implementation of GRAP		
	Adjusting the operating lease asset for the previous year - Note 34.07 and Note 21.02	6 013	-
	Non-current Employee Benefits previously not recognised - Note 34.05	(6 002 050)	-
	Current Employee Benefits previously not recognised - Note 34.060	232 022	-
	Adjusting the operating lease liability for the previous year - Note 34.08 and Note 21.01	5 762	-
		6 451 301	**-**

35 CORRECTION OF ERROR IN TERMS OF GRAP 3

Prior year adjustments due to non-compliance with Accounting Policy

35.01	***Long Term Receivables***		
	Balance previously reported		12 732 929
	Housing Scheme Loans written-off - Note 35.05	-	(2 315 525)
	Restated amount for Long-term receivables	**-**	**10 417 404**
35.02	***Other receivables from non-exchange transactions***		
	Balance previously reported		
	35.05	-	(273)
	PPE formerly capitalized in KKRWS now reversed against the inter-company account - Note 35.06	-	(6 389 177)
	Restatement additional debt by council - MUBOU235 - Note 35.05	928 888	-
	Restatement recoverable debt- O245 - Note 35.05	(14 910)	-
	Correction of salaries suspense account - Note 35.05	-	2 526 973
	Restated amount for Other receivables from non-exchange transactions	**913 978**	**(6 389 177)**
35.03	***Unspent Conditional Government Grants and Receipts***		
	Transfer from Short-term investment deposits - Note 35.01		-
	Correction of Unspent Conditional Government Grants and Receipts error from Surplus - Note 35.05	-	9 856 885
	Restated amount for Unspent Conditional Goverment Grants and Receipts	**-**	**9 856 885**
35.04	***Cash and Cash Equivalents***		
	Restatement of opening balances of all bank accounts - Note 35.05	-	(458 026)
	Restatement of opening balances Traffic Bank Acc - MUBOU266 - Note 35.05	3 153 117	-
	Restatement of opening balances of Investments - MUBOU267 - Note 35.05	173 978	-
	Balance 1 July	**3 327 095**	**(458 026)**
35.05	***Changes to Accumulated Surplus***		
	Implementation of IAS 39 - Financial Instruments - Restatement of fair values of loans to staff - Note 35.04		
	Housing Scheme Loans written-off - Note 35.01	-	(2 315 525)
	Correction of Investments rounding error from Surplus - Note 35.08	-	4
	Correction of Long-term Liabilities error from Surplus - Note 35.1	-	4
	Correction of Trade Payables error from Surplus - Note 35.11	-	2 639 404
	Correction of Unspent Conditional Government Grants and Receipts error from Surplus - Note 35.03	-	9 856 885
	Correction of Other receivables from non-exchange transactions error from Surplus - Note 35.02	-	(273)
	Restatement of computer software previously expensed - At Cost - Note 35.09	-	40 352
	Correction of salaries suspense account - Note 35.07	-	2 526 973
	Restatement of opening balances of all bank accounts - Note 35.04	-	(458 026)
	Restatement additional debt by council - MUBOU235 - Note 35.02	928 888	-
	Restatement recoverable debt- O245 - Note 35.02	(14 910)	-
	Restatement trade creditors - OU006152 - Note 35.11	(230)	-
	Restatement of opening balances unallocated fund - MUBOU245 - Note 35.11	(247 873)	-
	Restatement of opening balances unallocated fund - MUBOU249 - Note 35.11	(85 151)	-
	Restatement of opening balances unallocated fund - MUBOU249 - Note 35.11	(8 386)	-
	Restatement of opening balances unallocated fund - MUBOU250 - Note 35.11	1	-
	Restatement of opening balances unallocated fund - MUBOU264 - Note 35.11	(2 534 591)	-
	Restatement of opening balances Traffic Bank Acc - MUBOU266 - Note 35.04	3 153 117	-
	Restatement of opening balances of Investments - MUBOU267 - Note 35.04	173 978	-
	Correction of 2006/2007 AG Query: Asset Disposals during 2006/2007 - Note 35.06 & 35.07	-	(14 043)
	Net increase/(decrease) in Accumulated Surplus	**1 364 843**	**12 275 755**

		2008 R	2007 R
35.06	***Property, Plant and Equipment***		
	Correction of 2006/2007 AG Query: Asset Disposals (Inventory Items) during 2006/2007 not recorded - Note 35.07	-	(650)
	PPE formaly capitalized in KKRWS now reversed against the inter-company account - Note 35.02	-	6 389 177
	Vat on PPE formaly capitalized in KKRWS now reversed against taxes - Note 35.12	-	(277 201)
	Correction of 2006/2007 AG Query: Asset Disposals during 2006/2007 not recored - Note 35.07 & 35.05	-	(635 900)
	Net increase in Property, Plant and Equipment - Note 12	**-**	**5 475 426**
35.07	***Accumulated Depreciation***		
	Asset (Inventory Items) previously not disclosed - Note 35.08	-	(218 710)
	Correction of 2006/2007 AG Query: Asset Disposals (Inventory Items) during 2006/2007 not recorded - Note 35.06	-	650
	Correction of 2006/2007 AG Query: Asset Disposals during 2006/2007 not recorded - Note 35.06 & 35.05	-	621 856
	Depreciation on PPE formaly capitalized in KKRWS now recognised - Note 35.05	-	(281 087)
	Intangible assets incorrectly included under PPE transferred to Intangibles - Note 35.09	-	65 679
	Net increase in Property, Plant and Equipment - Note 12	**-**	**188 388**
35.08	***Investments***		
	Correction of Investments rounding error from Surplus - Note 35.05	-	4
	Net increase in Intangible Assets credited to Accumulated Surplus - Note 35.05	**-**	**4**
35.09	***Accumulated Amortisation***		
	Expenditure incorrectly included under Intangibles transferred to Acc Surplus - Note 35.05	-	40 352
	Intangible assets incorrectly included under PPE transferred to Intangibles - Note 35.07	-	(65 679)
	Net increase in Intangible Assets credited to Accumulated Surplus - Note 35.05	**-**	**(25 326)**
35.1	***Long-term liabilities***		
	Correction of Long-term Liabilities rounding error from Surplus - Note 35.05	-	4
	Net increase in Long-term liabilities - Note 4	**-**	**4**
35.11	***Trade Payables***		
	Trade payables balance incorrectly transferred to Accumulated Surplus in 2002 reversed - Note 35.05		
	Correction of Trade Payables duplicated in prior year - Note 35.05	-	2 639 404
	Restatement trade creditors out fo surplus - OU006152 - Note 35.05	(230)	-
	Restatement of opening balances unallocated fund out fo surplus - MUBOU245 - Note 35.05	(247 873)	-
	Restatement of opening balances unallocated fund out fo surplus - MUBOU249 - Note 35.05	(85 151)	-
	Restatement of opening balances unallocated fund out fo surplus - MUBOU249 - Note 35.05	(8 386)	-
	Restatement of opening balances unallocated fund out fo surplus - MUBOU250 - Note 35.05	1	-
	Restatement of opening balances unallocated fund out fo surplus - MUBOU264 - Note 35.05	(2 534 591)	-
	Correction of Trade Payables duplicated in prior year - Note 35.13	(29 594)	
	Net increase in trade payables - Note 8	**(2 905 824)**	**2 639 404**
35.12	***Taxes***		
	Trade payables balance incorrectly transferred to Accumulated Surplus in 2002 reversed - Note		
	Vat on PPE formaly capitalized in KKRWS now reversed against taxes - Note 35.06	-	271 843
	Net increase in taxes - Note	**-**	**271 843**
35.13	***Changes to Statement of Financial Performance***		
	Balance previously reported in Note 34.09	6 451 301	-
	Correction on Other Creditors for Long Service Awards - Note 35.11	29 594	-
		6 480 895	**-**

		2009 R	2008 R
35	**CASH GENERATED BY OPERATIONS**		
	Surplus for the year	485 616	6 480 895
	Adjustment for:		
	Depreciation and amortisation	15 630 141	14 251 801
	Gain on disposal of property, plant and equipment	-	(39 176)
	Contribution from/to provisions - Non-Current	(2 575 914)	6 002 050
	Contribution from/to provisions - Non-Current - Expenditure incurred	5 324 672	-
	Contribution from/to provisions - Non-Current - Actuarial losses	128 375	-
	Contribution from/to provisions - Non-Current - Actuarial gains	(771 167)	-
	Contribution to Employee Benefits – current	3 808 690	3 222 392
	Contribution to Employee Benefits – current - Expenditure incurred	(3 454 414)	(3 522 539)
	Contribution to Provision – Bad debt	10 529 246	1 942 123
	Bad debts written off	(6 897)	(239 510)
	Operating lease income accrued	5 560	(6 013)
	Operating lease expenses accrued	(3 107)	(5 762)
	Investment income	(12 394 158)	(12 088 589)
	Interest paid	15 975 233	9 493 502
	Operating surplus before working capital changes:	**32 681 876**	**25 491 171**
	(Increase)/Decrease in inventories	1 149 003	(335 700)
	(Increase)/decrease in Trade receivables from exchange transactions	(8 938 875)	(1 472 242)
	(Increase)/decrease in Other receivables from non-exchange transactions	(6 677 420)	10 832 895
	(Decrease)/increase in unspent conditional grants and receipts	3 978 418	12 918 450
	Decrease/(increase) in unpaid conditional grants and receipts	161 098	(4 959 259)
	Increase(decrease) in creditors	(25 302 878)	30 187 959
	(Increase)/decrease in VAT	(1 549 527)	(687 103)
	Cash generated by/(utilised in) operations	**(4 498 305)**	**71 976 172**

		2009 R	2008 R
36	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents included in the cash flow statement comprise the following :		
	Short-term Investment deposits, Bank balances and cash - Note 22	71 385 877	118 511 326
	Bank overdraft - Note 22	-	(16 273 656)
	Total cash and cash equivalents	**71 385 877**	**102 237 670**
37	**UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**		
	Long-term liabilities - Note 4	57 356 550	80 762 652
	Used to finance property, plant and equipment – at cost	(57 356 550)	(80 762 652)
	Sub- total	-	-
	Cash set aside for the repayment of long-term liabilities	-	-
	Cash invested for repayment of long-term liabilities	**-**	**-**
	Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		
38	**UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**		
38.01	**Unauthorised expenditure**		
	Reconciliation of unauthorised expenditure		
	Opening balance	-	-
	Unauthorised expenditure current year	8 287 911	51 566 055
	Approved by Council or condoned		(51 566 055)
	Transfer to receivables for recovery	-	-
	Unauthorised expenditure awaiting authorisation	**8 287 911**	**-**

Incident	Disciplinary steps/criminal proceedings
Over expenditure of approved budget	*None*

		2009 R	2008 R
38.02	**Fruitless and wasteful expenditure**		
	Reconciliation of fruitless and wasteful expenditure		
	Opening balance	178 542	-
	Fruitless and wasteful expenditure current year	-	178 542
	Condoned or written off by Council		-
	To be recovered – contingent asset	-	-
	Fruitless and wasteful expenditure awaiting condonement	**178 542**	178 542

Incident	Disciplinary steps/criminal proceedings
Cliam of cost of own legal representive - MN Pietersen	*Employee dismissed*
Legal costs in respect of aborted disciplinary proceedings agains the formal Municipal Manager (Mr. M. May)- R161 000	*None*

		2009 R	2008 R
38.03	**Irregular expenditure**		
	Reconciliation of irregular expenditure		
	Opening balance	3 126 203	-
	Irregular expenditure current year	-	3 126 203
	Condoned or written off by Council	-	-
	Transfer to receivables for recovery – not condoned	-	-
	Irregular expenditure awaiting condonement	3 126 203	3 126 203

Incident	Disciplinary steps/criminal proceedings
Non-compliance with Supply Chain Management Policy - R2986777.31 + R27 368	*None*
Municipal Manager received performance bonus extra after it was already included in his pervormace contract annual remuneration. R112 058	*None*

		2009 R	2008 R
39	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
39.01	**Contributions to organized local government - [MFMA 125 (1)(b)]- SALGA CONTRIBUTIONS**		
	Opening balance	-	-
	Council subscriptions		
	Amount paid - current year		
	Amount paid - previous years	-	-
	Balance unpaid (included in creditors)	-	-
39.02	**Audit fees - [MFMA 125 (1)(b)]**		
	Opening balance	-	-
	Current year audit fee	-	
	External Audit - Auditor - General		
	Internal Audit		
	Audit Committee		
	Amount paid - current year		
	Amount paid - previous years	-	-
	Balance unpaid (included in creditors)	**-**	-

	2009 R	2008 R
39.03 **VAT - [MFMA 125 (1)(b)]**		
Opening balance		
Amounts received - current year		
Amounts claimed - current year (payable)	-	
Amount paid - current year		
Amount paid - previous years	-	-
Closing balance	**-**	**-**

Vat inputs receivables and Vat outputs payables are shown in Note 10
All VAT returns have been submitted by the due date throughout the year.

39.04 **PAYE and UIF - [MFMA 125 (1)(b)]**		
Opening balance	-	
Current year payroll deductions	7 708 168	
Amount paid - current year	(7 724 594)	
Balance unpaid (included in creditors)	**(16 426)**	**-**

39.05 **Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]**		
Opening balance	-	-
Current year payroll deductions and Council Contributions	8 650 982	
Amount paid - current year	(8 650 982)	
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	**-**	**-**

39.06 **Non-Compliance with Chapter 11 of the Municipal Finance Management Act**

Non-compliance to the Supply Chain Management Regulations were identified on the following categories:-

	Less than R 30,000	Between R 30,000 and R 200,000	Between R 200,001 and R 2,000,000	More than R 2,000,001
Inventory				
Insurance				
Other				
Executive & Council	27 368			
Corporate Services				
Community Services				
Financial Services				
Technical Services				
Electrical Services				
Town Planning				
Strategic Services				
	27 368	-	-	-

39.07 **Non-compliance with the Preferential Procurement Policy Framework Act (Act no. 5 of 2000) (PPPFA)**

(a) The municipality did not comply with paragraph 7 of the PPPFA, the municipality did not stipulate the

No.	Tender no.	Tender description	Tender date	Successful tenderer	Tender amount
1	70/2007	The supply & installation of the synthetic re-surfacing & new surfacing of the De Jager Sport Complex	21-Sep-07	Joint Masters CC	277,514.76
2	ED 16/2008	Generator tender	28-Mar-08	Tasslelane Technologies (Pty) Ltd	117,672.89
3	29/2008	Bridgton neighbourhood development	4-Apr-08	Nebavest (Pty) Ltd	718,200.00
4	27/2008	Construction of ninth avenue	4-Apr-08	RJEV General Trading	252,220.70
5	27/2008	Construction of ninth avenue	4-Apr-08	RJEV General Trading	228,961.59
6	Tender 2	Cango caves maintenance	18-Apr-08	DIY Depot	99,000.00
7	-	Supply and delivery of plastic refuse bags	16-May-08	Outeniqua Plastics (Pty) Ltd	324,860.61

(b) It was identified that the municipality would advertise that a tender would be evaluated on the 80/20 scoring

No.	Tender no.	Tender description	Tender date	Successful tenderer	Tender amount
1	70/2007	The supply & installation of the synthetic re-surfacing & new surfacing of the De Jager Sport Complex	21-Sep-07	Joint Masters CC	R277 514.76
2	29/2008	Bridgton neighbourhood development	4-Apr-08	Nebavest (Pty) Ltd	R718 200.00

© Tender 29/2008 awarded to Nebavest (Pty) Ltd (consultant) for an amount of R718 200 for Bridgton

		2009 R	2008 R
40	**CAPITAL COMMITMENTS**		
	Commitments in respect of capital expenditure:		
	- Approved and contracted for	942 966	4 329 868
	Infrastructure	942 966	3 483 242
	Land and Buildings	-	846 626
	Total	**942 966**	**4 329 868**
	This expenditure will be financed from:		
	- Capital Replacement Reserve	-	1 550 525
	- Government Grants and Donations	942 966	2 779 342
		942 966	**4 329 868**

41 RETIREMENT BENEFIT INFORMATION

Council employees contribute to the Cape Joint Municipal Pension Fund, SALA and SAMWU National Provident Fund which is a defined contribution fund. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs. Full actuarial valuations are performed at least every five years. The last valuations was done on 30 June 2008.

42 FINANCIAL RISK MANAGEMENT

Financial Risk Management

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign exchange currency risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest rate Risk

As the Municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The entity analyse its potential exposure to interest rate changes on a continious basis. Different scenarious are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarious, the entity calculates the impact that a change in interest rates will have on the surplus/defecit for the year. These scenarious are only simulated for liabitities which constitute the majority of interest bearing

The entity did not hedge against any interest rate risks during the current year.

The potential impact (sensitivity analysis) on the entity's surplus/defecit for the year due to changes in interest

0.5% (2008 - 2%) Increase in interest rates	70 101	785 926
1% (2008 - 0.5%) Decrease in interest rates	(140 202)	(196 482)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk consist mainly of cash deposits, cash equivalens, trade and other receivables, long term receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances.

All rates and services are payable within 30 days from invoice date. Refer to note and for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. No terms were re-negotiated for the period under review.

Due to the short term nature of trade and other receivables the carrying value disclosed in notes and to the financial statements is an approximation of its fair value. Interest on overdue balances are included where

	2009 R	2008 R
The following balances were past due but not impaired:		
Trade receivables from exchange transactions	-	-
Other receivables from non-exchange transactions	2 006 748	3 697 252

No securities are held in respect of deposits and receivables

Long term receivables consist mainly out of staff car loans. The credit risk pertaining to long term receivables is considered to be low, as the installments due to the municipality is deducted from each employees salary which significantly reduces the risk of the counter party default. The balance is unsecured. No debtor defaulted on their obligation in the current year and no terms were re-negotiated. Long term receivables are not pledged as collateral for any financial liabilities. Due to the immaterial nature of the outstanding balance the fact that the the total balance due mainly consist out of amounts receivable within 1 year, the effect of the time value of money will not be considered. The value disclosed in the financial statement in respect of long term receivables agrees to its fair value.

Refer below for the aging of long term receivables

	Less than 1 year	Between 1 and 5
2009	**R**	**R**
Staff car loans	23 497	-
2008		
Staff car loans	31 292	20 890
Sundry deposits	-	6 118

	2009 R	2008 R
The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although te credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.		
Financial assets exposed to credit risk at year end are as follows:		
Trade receivables from exchange transactions (net of provision)	12 102 716	11 378 923
Other receivables from non-exchange transactions (net of provision)	18 001 766	14 442 919
Cash and Cash Equivalents	71 385 877	118 511 326
Long-term receivables	23 497	58 299
Unpaid conditional grants and subsidies	5 017 594	4 959 259
	106 531 450	149 350 726

	R	R
(e) Liquidity Risk		

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2009				
Long Term liabilities	11 373 849	46 879 004	24 311 842	15 723 358
Consumer Deposits	4 303 921			
Trade and Other Payables	23 938 848			
Unspent conditional government grants and receipts	55 955 075			
2008				
Long Term liabilities	35 581 832	49 760 426	27 531 073	19 443 613
Consumer Deposits	4 044 676			
Trade and Other Payables	50 053 033			
Unspent conditional government grants and receipts	15 310 224			
Bank Overdraft	16 273 656			

43 FINANCIAL INSTRUMENTS

In accordance with IAS 39.09 the financial assets of the municipality are classified as follows:

Financial Assets	**Classification**		
Investments			
Fixed Deposits	Held to maturity	-	17 829 533
Long-term Receivables			
Staff loans	Loans and receivables	-	20 890
Sundry deposits	Loans and receivables	-	6 118

Consumer Debtors			
Service Debtors	Loans and receivables	14 542 349	13 456 021
Other Debtors	Loans and receivables	-	-
Other Debtors			
Rates	Loans and receivables	14 909 782	11 979 699
Sundry Debtors	Loans and receivables	15 096 354	10 883 810
Government Subsidies and Grants	Loans and receivables	4 798 160	4 959 259
Current Portion of Long-term Receivables			
Staff loans	Loans and receivables	23 497	-
Old age homes	Loans and receivables	-	-
Short-term Investment Deposits			
Call Deposits	Loans and receivables	68 716 974	77 893 565
Bank Balances and Cash			
Bank Balances	Loans and receivables	2 659 770	37 282 432
Cash Floats and Advances	Loans and receivables	9 134	8 234

		2009 R	2008 R
SUMMARY OF FINANCIAL ASSETS			
Held to maturity:			
Investments	Fixed deposits	-	17 829 533
		-	17 829 533
Loans and Receivables			
Long-term Receivables	Staff loans	-	20 890
Long-term Receivables	Sundry deposits	-	6 118
Consumer Debtors	Services	45 233 289	43 761 047
Other Debtors	Rates	14 909 782	11 979 699
Other Debtors	Sundry debtors	15 096 354	10 883 810
Other Debtors	Government subsidies and grants	4 798 160	4 959 259
Current Portion of Long-term Receivables	Staff car loans	23 497	
Short-term Investment Deposits	Call deposits	68 716 974	77 893 565
Bank Balances		2 659 770	37 282 432
Cash Floats and Advances		9 134	8 234
Operating Lease Asset	Operating leases	30 226	
		151 477 185	186 795 054
Total Financial Assets		**151 477 185**	204 624 587

44 EVENTS AFTER THE REPORTING DATE

- The Municipal Manager was dismissed after reporting date and an acting Municipal Manager was appointed.

45 IN-KIND DONATIONS AND ASSISTANCE

The municipality received the following in-kind donations and assistance:

Organisation	**Contribution towards:**
DBSA	Secondment of Staff

46 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year 2007/2008.

47 COMPARISON WITH THE BUDGET

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E

48 REALATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other

48.01 **Related Party Transactions**	**Cell Phone**	**Bonus**	**Other**	**Outstanding balances**
Year ended 30 June 2008				
Councillors				
J Griebelaar	21 499	3 576	11 405	36 480
A Britz	18 743		6 227	24 970
J Jansen	23 503		13 432	36 934
N Gangatele	18 569		14 469	33 038
K Windvogel	25 735	7 156	38 225	71 116
E Damons	22 403		13 455	35 858
MP May	3 212		2 873	6 084
J Loff	18 712	2 775	17 133	38 620
Retief	294			294
N Gangatela	4 786			4 786
B Blaauw	33 171			33 171
P Luiters	1 976			1 976
Abrahams	2 943			2 943
A Le Kay	46 585		14 597	61 183
B Le Roux	2 129			2 129
Duvenhage	645			645
Potgieter	4 541			4 541
Vd Westhuizen	3 542			3 542
W Kawa	36 249		10 773	47 023
G April	3 766		21 433	25 199
J Harmse	34 516		10 773	45 289
En Ngalo	12 240		10 773	23 013
Cn Ngalo	-		10 773	10 773

Gn Gunguluza	55 896	18 109	74 005

Gz Phillips	109 522	10 773	120 295
Jc Swartbooi	44 281	24 094	68 375
Cj Stemmet	-	5 596	5 596
E Fortuin	42 711	8 558	51 268
M May	78 121	5 216	83 337
C Wagenaar	31 559	7 335	38 894
J Swigelaar	764	-	764
S Soman	32 134	8 558	40 691
S Billy	9 689	8 558	18 246
S Biljohn	17 930	-	17 930
B Pannas	32 527	8 558	41 084
P Nel	-	-	-
J Coetzee	-	1 500	1 500

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

		2009	2008
48.02	**Related Party Loans**	**R**	**R**

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 17 to the Annual Financial Statements.

48.03 **Compensation of key management personnel**

The compensation of key management personnel is set out in note 27 to the Annual Financial Statements.

48.04 **Other related party transactions**

The following purchases were made during the year where Councillors or staff have an interest:

Councillor/Staff member:	Entity:		
B Maksella	Autumn Skies Trading 187cc	39 981	39 981

48.05 **Joint Venture**

Oudtshoorn Municipality and Kannaland Municipality are in a Joint venture with the KKLWVS (Klein Karoo Landelike Watervoorsienings skema). Due to unclear joint venture information, the two annual financial statements was not Consolidated. Joint venture is not an entity of the municipality and therefore an Annual Financial Statements for KKLWVS were attached.

49 TRANSITIONAL PROVISION TAKEN ACCORDING TO THOSE IN DIRECTIVE 4 - TRANSITIONAL PROVISIONS FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES

49.1 GRAP 19 - Provisions, contingent liabilities and contingent Assets

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise provisions, contingent liabilities or contingent assets relating to Refuse tip-

* Refuse tip-sites financed by way of a provision

The municipality is currently in a process of identifying all provisions which must be measured in terms of GRAP 19 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

The municipality has appointed Jan Palm Consulting Engineers that conducted a Provisional Assessment and they will now proceed to do the costing for the Landfill site. They estimate that the current Landfill site, situated at Plot 1 Caledon, has a remaining life of about 44-82 months, depending on the equipment used to compact the refuse. The provision will be calculated according the GRAP 19 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

49.2 GRAP 100 - Non-current assets and discontinued operations

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise non-current assets held for sale and discontinued operations relating to Inventories, Investment Properties, Property, Plant and Equipment, Agriculture and Intangible Assets which are not recognised in terms of the transitional provisions relating to

49.3 GRAP 16 - Investment Properties

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise all the Investment Properties.

The municipality is currently in the process of identifying all Investment Properties and have valued them in terms of GRAP 16 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

49.4 GRAP 102 - Intangible Assets

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise or measure all the Intangible Assets in accordance with the standard, including the following:

* Computer Software;
* Intangible assets financed by way of finance leases;
* Intangible assets transferred as a result of the transfer of functions; and
* Servitudes.

The municipality is currently in the process of identifying all Intangible Assets and have it valued in terms of GRAP 102 and it is expected that this process will be completed for inclusion in the 2010 financial statements. It is possible that certain intangible assets are currently being recognised as Property, Plant and Equipment.

49.5 GRAP 12 - Inventories

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise the following inventories:

Land held for sale

The municipality is currently in the process of identifying all inventory which must be measured in terms of GRAP 12 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

12 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2009

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Leased Assets	Other	Total
	R	R	R	R	R	R	R
Carrying values at 1 JULY 2008	**30 285 421**	**121 177 009**	**13 768 904**	**2 942**	**2 369 797**	**9 994 684**	**177 598 757**
Cost	37 784 107	219 577 354	21 084 451	2 970	4 255 900	27 159 768	309 864 549
Accumulated Depreciation	(7 498 685)	(98 400 345)	(7 315 546)	(27)	(1 886 103)	(17 165 085)	(132 265 792)
Acquisitions	**2 465 692**	**8 933 693**	**430 974**	**-**	**1 385 500**	**4 229 742**	**17 445 600**
Depreciation	**(1 025 198)**	**(10 249 491)**	**(853 348)**	**(99)**	**(1 044 204)**	**(2 338 305)**	**(15 510 644)**
Normal depreciation	(1 025 198)	(10 249 491)	(853 348)	(99)	(1 044 204)	(2 338 305)	(15 510 644)
Carrying value of disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
	31 725 915	**119 861 211**	**13 346 530**	**2 844**	**2 711 093**	**11 886 120**	***179 533 713***
Carrying values at 30 JUNE 2009	**31 725 915**	**119 861 211**	**13 346 530**	**2 844**	**2 711 093**	**11 886 120**	**179 533 713**
Cost	***40 249 798***	***228 511 047***	***21 515 424***	***2 970***	***5 641 400***	***31 389 510***	***327 310 150***
Cost	*40 249 798*	*228 511 047*	*21 515 424*	*2 970*	*5 641 400*	*31 389 510*	*327 310 150*
Accumulated depreciation	***(8 523 883)***	***(108 649 836)***	***(8 168 894)***	***(126)***	***(2 930 307)***	***(19 503 390)***	***(147 776 436)***
Cost	*(8 523 883)*	*(108 649 836)*	*(8 168 894)*	*(126)*	*(2 930 307)*	*(19 503 390)*	*(147 776 436)*

30 JUNE 2008

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Leased Assets	Other	Total
	R	R	R	R	R	R	R
Carrying values at 1 JULY 2007	**28 287 934**	**109 546 518**	**14 049 652**	**-**	**2 593 020**	**9 810 287**	**164 287 411**
Cost	***34 819 046***	***198 510 203***	***20 535 658***	***-***	***3 683 800***	***24 967 335***	***282 516 042***
Cost	*34 819 046*	*198 510 203*	*20 535 658*	*-*	*3 683 800*	*24 967 335*	*282 516 042*
Accumulated depreciation	***(6 531 112)***	***(88 963 685)***	***(6 486 006)***	***-***	***(1 090 780)***	***(15 157 048)***	***(118 228 631)***
Accumulated depreciation	*(6 531 112)*	*(88 963 685)*	*(6 486 006)*	*-*	*(1 090 780)*	*(15 157 048)*	*(118 228 631)*
Acquisitions	2 965 060	21 067 151	548 793	2 970	572 100	2 258 366	**27 414 439**
Depreciation	**(967 573)**	**(9 436 660)**	**(829 540)**	**(27)**	**(795 323)**	**(2 073 073)**	**(14 102 197)**
Normal depreciation	(967 573)	(9 436 660)	(829 540)	(27)	(795 323)	(2 073 073)	(14 102 197)
Carrying values at 30 JUNE 2008	**30 285 421**	**121 177 009**	**13 768 904**	**2 942**	**2 369 797**	**9 994 684**	**177 598 757**
Cost	***37 784 107***	***219 577 354***	***21 084 451***	***2 970***	***4 255 900***	***27 159 768***	***309 864 549***
Cost	*37 784 107*	*219 577 354*	*21 084 451*	*2 970*	*4 255 900*	*27 159 768*	***309 864 549***
Accumulated depreciation	***(7 498 685)***	***(98 400 345)***	***(7 315 546)***	***(27)***	***(1 886 103)***	***(17 165 085)***	***(132 265 792)***
Cost	*(7 498 685)*	*(98 400 345)*	*(7 315 546)*	*(27)*	*(1 886 103)*	*(17 165 085)*	*(132 330 828)*

The leased property, plant and equipment is secured as set out in Note 3.

The Municipality identified other properties, plant and equipment, with opening balances and adjustments during the year.

PROPERTY, PLANT AND EQUIPMENT

GRAP 17 - Property, Plant and Equipment

The municipality opted to take advantage of the transitional provisons as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise or measure all the Property, Plant and Equipment in accordance with the standard, including the following:

Land;
Property, Plant and Equipment financed by way of finance leases;
Property, Plant and Equipment financed by way of provisions;
Property, Plant and Equipment transferred as a result of the transfer of functions; and
Componentised infrastructure assets.

The municipality is currently in a process of identifying all Property, Plant and Equipment and have it valued in terms of GRAP 17 and it is expected that this process will be completed for inclusion in the 2010 financial statements.The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2010. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

The municipality therefore did not utilised the transitional provision in the following areas:

- Review of useful life of item of PPE recognised in the annual financial statements.
- Review of the depreciation method applied to PPE recognised in the annual financial statements.
- Review of residual values of item of PPE recognised in the annual financial statements.
- Impairment of non-cash generating assets.
- Impairment of cash generating assets.

No assets are pledged as security for loans raised according to loan contracts. No idle, temporarily idle PPE are being held at the reporting date.

APPENDIX A

OUDTSHOORN MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 200!

EXTERNAL LOANS		Original Loan Amount	Rate	Redeemable	Balance at 30 JUNE 2008	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2009
ANNUITY LOANS								
ABSA	R	19 284 160	Prime	2009/04	R 20 071 926		R -20 071 926	R -
WITPROP	R	3 000 000	Prime-0.5%	2015/06	R 2 019 023	R 88 541	R -268 681	R 1 838 883
Development Bank Of South Africa	R	71 595 000			R 56 053 892	R -	R -3 512 113	R 52 541 780
Urban Infrastructure Project 10608/1	R	8 700 000	R 0	2017/09	R 7 248 974		R -388 365	R 6 860 609
Multiple Infrastructure 101096/1	R	9 330 000	R 0	2024/09	R 9 102 063		R -219 047	R 8 883 016
Multiple Infrastructure 101096/2	R	1 000 000	R 0	2019/09	R 387 606		R -18 545	R 369 060
Electrification 9017	R	11 635 000	R 0	2014/03	R 8 741 187		R -859 754	R 7 881 433
Multiple Infrastructure 101647/1	R	4 500 000	R 0	2025/12	R 4 144 737		R -236 842	R 3 907 895
Multiple Infrastructure 101647/2	R	2 000 000	R 0	2020/06	R 1 714 286		R -142 857	R 1 571 429
Multiple Infrastructure 101647/3	R	540 000	R 0	2015/06	R 391 440		R -55 920	R 335 520
Infrastructure 102003/1	R	11 000 000	R 0	2025/12	R 10 131 579		R -578 947	R 9 552 632
Electricity And Water 102292/1	R	6 570 000	R 0	2026/06	R 5 458 678		R -303 260	R 5 155 418
Electricity And Water 102292/2	R	3 230 000	R 0	2016/06	R 2 848 976		R -356 122	R 2 492 854
Deep Aquifer Hydrogeological 13774	R	3 300 000	R 0	2021/06	R 716 626		R -19 169	R 697 457
Infrastructure 102617/1	R	8 620 000	R 0	2027/06	R 4 119 557		R -216 819	R 3 902 738
Infrastructure 102617/2	R	1 170 000	R 0	2017/06	R 1 048 184		R -116 465	R 931 719
TOTAL ANNUITY LOANS	**R**	**93 879 160**			**R 78 144 841**	**R 88 541**	**R -23 852 719**	**R 54 380 663**
OVERNMENT LOANS								
IRRIGATION LOAN: RAUBENHEIMERDAM SCHEME - DEPT WATER					R -			R -
TOTAL GOVERNMENT LOANS					R -	R -	R -	R -
LEASE LIABILITY								
VW Chico CG 6075	R	71 600	R 0	2010/01	R 27 439		R -16 721	R 10 718
VW Chico 1.4 CG 5883	R	71 600	R 0	2010/01	R 27 439		R -16 721	R 10 718
Nissan 1400 CG 12885	R	64 600	R 0	2010/01	R 24 742		R -15 080	R 9 662
Nissan 1400 CG 12934	R	53 900	R 0	2010/01	R 20 645		R -12 583	R 8 063
Nissan Hardbody CG 12904	R	106 400	R 0	2010/01	R 40 769		R -24 846	R 15 924
Nissan Hardbody CG 12911	R	112 400	R 0	2010/01	R 43 076		R -26 251	R 16 826
Nissan UD CG 13784	R	194 100	R 0	2010/01	R 74 384		R -45 330	R 29 054
Nissan UD CG 13768	R	194 100	R 0	2010/01	R 74 384		R -45 330	R 29 054
Konica Minolta Fotostaatmasjien	R	13 000	R 0	2010/07	R 9 517		R -4 269	R 5 248
Nashua Fotostaatmasjien Model 2090	R	269 500	R 0	2009/12	R 98 307		R -63 563	R 34 744
Nashua Fotostaatmasjien AF 1055	R	127 900	R 0	2009/12	R 46 643		R -30 159	R 16 483
Nashua Copier Model 200IE (Q2866600259)	R	20 400	R 0	2009/08	R 8 803		R -7 470	R 1 333
Nashua Copier AF 1027/ PT280	R	22 300	R 0	2009/08	R 9 632		R -8 173	R 1 460
Nashua Copier IS 200E (Q2857100678)	R	17 900	R 0	2009/08	R 7 727		R -6 556	R 1 170
Ford Ranger CG 21125	R	98 300	R 0	2010/06	R 46 435		R -21 836	R 24 599
Ford Ranger CG 21124	R	98 300	R 0	2010/06	R 46 435		R -21 836	R 24 599
Ford Ranger CG 21130	R	91 400	R 0	2010/06	R 43 198		R -20 310	R 22 888
Ford Ranger CG 21120	R	76 500	R 0	2010/06	R 36 157		R -16 999	R 19 158
Ford Ranger CG 21132	R	120 000	R 0	2010/06	R 56 693		R -26 659	R 30 034
Ford Ranger CG 21119	R	76 500	R 0	2010/06	R 36 157		R -16 999	R 19 158
Ford Ranger CG 21116	R	98 300	R 0	2010/06	R 46 435		R -21 836	R 24 599
Nissan UD CG 5451	R	277 900	R 0	2012/01	R 215 187		R -51 109	R 164 078
Nissan UD CG 14571	R	194 500	R 0	2011/12	R 147 789		R -36 128	R 111 661
Nissan UD CG 14572	R	194 500	R 0	2011/12	R 147 789		R -36 128	R 111 661
Nissan UD CG 14570	R	194 500	R 0	2011/12	R 147 789		R -36 128	R 111 661
Nissan Hardbody CG 11957	R	122 200	R 0	2011/11	R 91 064		R -22 925	R 68 139
Nissan Hardbody CG 11925	R	119 000	R 0	2011/11	R 88 689		R -22 322	R 66 366
Nissan Hardbody CG 11934	R	142 000	R 0	2011/11	R 105 803		R -26 644	R 79 159
Nissan Hardbody CG 12476	R	164 100	R 0	2011/11	R 122 293		R -30 784	R 91 508
Ford Bantam CG 4539	R	72 600	R 0	2011/11	R 54 099		R -13 621	R 40 478
Opel Corsa Classic CG 8980	R	101 000	R 0	2011/11	R 75 256		R -18 950	R 56 305
Opel Corsa Classic CG 9957	R	101 000	R 0	2011/11	R 75 256		R -18 950	R 56 305
Konica Minolta (46017073)	R	11 600	R 0	2010/07	R 8 482		R -3 811	R 4 671
Gestetner Model 1502 (H6616900346)	R	14 500	R 0	2007/07	R -		R -	R -
VW Citi Golf 1.4 Chico CG23237	R	76 000	R 0	2013/01	R 71 251		R -12 408	R 58 842
VW Citi Golf 1.4 Chico GC15063	R	76 000	R 0	2013/01	R 71 251		R -12 408	R 58 842
Isuzu KB 250 LWB Base CG23176	R	109 600	R 0	2013/01	R 102 757		R -17 883	R 84 873
Isuzu KB 250 LWB Base CG23182	R	149 800	R 0	2013/01	R 140 441		R -24 454	R 115 987
Isuzu KB 250 LWB Base CG23180	R	136 100	R 0	2013/01	R 127 600		R -22 213	R 105 387
Nissan UD 40L C/Cab 4.6T B&P/Load 554 GC19999	R	206 600	R 0	2014/01		R 206 600	R -12 905	R 193 695
Isuzu KB 250 Fleetside (2007) CG24868	R	141 500	R 0	2014/01		R 141 500	R -8 835	R 132 665
Isuzu KB 250 Fleetside (2007) CG24866	R	148 400	R 0	2014/01		R 148 400	R -9 270	R 139 130
Isuzu KB 250 Fleetside (2007) CG22357	R	145 900	R 0	2014/01		R 145 900	R -9 114	R 136 786
VW Citi Golf 1.4i Tenaciti EU2 CG24879	R	80 600	R 0	2014/01		R 80 600	R -5 036	R 75 564
VW Citi Golf 1.4i Tenaciti EU2 CG24878	R	80 600	R 0	2014/01		R 80 600	R -5 036	R 75 564
Konica Minolta Fotostaatmasjien Model: C253 (E041002051 (Corporate services-Law)Kontrak 40086009	R	60 900	R 0	2011/08		R 60 900	R -14 770	R 46 130
Konica Minolta Fotostaatmasjien Model: C253 (E041000249)(Manager- Corporate) Kontrak 40085998(13070628)	R	69 300	R 0	2011/08		R 69 300	R -16 828	R 52 472
Konica Minolta Fotostaatmasjien Model: C253 (E041002099) (Municipal Manager office-Corporate) Kontrak 49701 (13071384)	R	78 900	R 0	2011/09		R 78 900	R -17 156	R 61 744
Konica Minolta Fotostaatmasjien Model: C253 (E041002763) (Finances Department - Director Finances) (Kontrak 49701 (13071332)	R	69 300	R 0	2011/09		R 69 300	R -15 069	R 54 231
Konica Minolta Fotostaatmasjien Model: C253 (E041002080) (HR-Corporate) Kontrak 49701-13071554	R	69 300	R 0	2011/09		R 69 300	R -15 069	R 54 231
Konica Minolta Fotostaatmasjien Model: C200 (F040000299) (Supply chain-Finance) Kontrak 49701/13072980	R	45 000	R 0	2011/10		R 45 000	R -8 649	R 36 351
Konica Minolta Fotostaatmasjien Model: C200 (F040001027) (Credit Department-Finance) Kontrak no.40091352	R	46 400	R 0	2012/02		R 46 400	R -4 373	R 42 027
Isuzu KB 250 Fleetside (2007) CG24867	R	142 800	R 0	2014/01		R 142 800	R -8 921	R 133 879
TOTAL LEASE LIABILITY	**R**	**5 641 400**			**R 2 617 812**	**R 1 385 500**	**R -1 027 424**	**R 2 975 887** R -
TOTAL EXTERNAL LOANS	**R**	**99 520 560**			**R 80 762 652**	**R 1 474 041**	**R -24 880 144**	**R 57 356 550**

APPENDIX B

OUDTSHOORN MUNICIPALITY : ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost/Revaluation					Accumulated Depreciation				Carrying
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals income	Closing Balance	Value
Land and Buildings										
Land	8 313 423.72	0.00	0.00	0.00	8 313 423.72	87.36	116.80	0.00	204.16	8 313 219.56
Buildings	29 470 682.84	1 495 473.42	970 218.37	0.00	31 936 374.63	7 498 597.82	1 025 080.88	0.00	8 523 678.70	23 412 695.93
	37 784 106.56	**1 495 473.42**	**970 218.37**	**0.00**	**40 249 798.35**	**7 498 685.18**	**1 025 197.68**	**0.00**	**8 523 882.86**	**31 725 915.49**
Infrastructure										
Roads and Streets	103 319 118.91	4 217 823.42	0.00	0.00	107 536 942.33	44 504 746.74	5 605 786.94	0.00	50 110 533.68	57 426 408.65
Sewerage Mains and Purification	22 478 967.46	161 709.74	0.00	0.00	22 640 677.20	10 891 901.25	843 591.22	0.00	11 735 492.47	10 905 184.73
Electricity mains	48 740 698.08	913 600.18	277 539.68	0.00	49 931 837.94	20 788 309.63	2 322 420.03	0.00	23 110 729.66	26 821 108.28
Electricity Peak Load equipment	697 699.34	9 429.82	0.00	0.00	707 129.16	335 187.96	39 717.69	0.00	374 905.65	332 223.51
Water Mains & Purification	50 749.20	0.00	0.00	0.00	50 749.20	18 240.18	3 392.50	0.00	21 632.68	29 116.52
Water Reservoirs	7 259 966.19	0.00	2 214 956.79	0.00	9 474 922.98	2 415 965.86	209 929.75	0.00	2 625 895.61	6 849 027.37
Water Meters	2 761 619.61	277 779.30	0.00	0.00	3 039 398.91	722 459.92	127 915.53	0.00	850 375.45	2 189 023.46
Water Mains	33 952 975.03	87 798.97	773 055.20	0.00	34 813 829.20	18 635 068.89	1 084 039.10	0.00	19 719 107.99	15 094 721.21
Landfill Sites	315 560.08	0.00	0.00	0.00	315 560.08	88 464.71	12 698.35	0.00	101 163.06	214 397.02
	219 577 353.90	**5 668 141.43**	**3 265 551.67**	**0.00**	**228 511 047.00**	**98 400 345.14**	**10 249 491.11**	**0.00**	**108 649 836.25**	**119 861 210.75**
Community Assets										
Parks and Gardens	2 244 048.16	4 600.00	0.00	0.00	2 248 648.16	968 999.09	71 654.30	0.00	1 040 653.39	1 207 994.77
Libraries	4 550 967.12	0.00	0.00	0.00	4 550 967.12	1 448 346.51	144 638.55	0.00	1 592 985.06	2 957 982.06
Recreation Grounds	9 748 451.30	217 937.02	0.00	0.00	9 966 388.32	3 570 968.55	484 878.99	0.00	4 055 847.54	5 910 540.78
Civic Buildings	4 540 983.95	208 436.85	0.00	0.00	4 749 420.80	1 327 232.32	152 176.13	0.00	1 479 408.45	3 270 012.35
	21 084 450.53	**430 973.87**	**0.00**	**0.00**	**21 515 424.40**	**7 315 546.47**	**853 347.97**	**0.00**	**8 168 894.44**	**13 346 529.96**
Heritage Assets										
Historical Buildings	2 969.82	0.00	0.00	0.00	2 969.82	27.45	98.55	0.00	126.00	2 843.82
	2 969.82	**0.00**	**0.00**	**0.00**	**2 969.82**	**27.45**	**98.55**	**0.00**	**126.00**	**2 843.82**
Total carried forward	278 448 880.81	7 594 588.72	4 235 770.04	0.00	290 279 239.57	113 214 604.24	12 128 135.31	0.00	125 342 739.55	164 936 500.02

APPENDIX B

OUDTSHOORN MUNICIPALITY : ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost/Revaluation					Accumulated Depreciation				Carrying
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals income	Closing Balance	Value
Total brought forward	278 448 880.81	7 594 588.72	4 235 770.04	0.00	290 279 239.57	113 214 604.24	12 128 135.31	0.00	125 342 739.55	164 936 500.02
Leased Assets										
Leased Office Assets	4 255 900.00	1 385 500.00	0.00	0.00	5 641 400.00	1 886 103.33	1 044 203.89	0.00	2 930 307.22	2 711 092.78
	4 255 900.00	**1 385 500.00**	**0.00**	**0.00**	**5 641 400.00**	**1 886 103.33**	**1 044 203.89**	**0.00**	**2 930 307.22**	**2 711 092.78**
Other Assets										
Office Equipment	11 738 981.24	2 704 802.14	0.00	0.00	14 443 783.38	7 776 882.73	1 244 910.22	0.00	9 021 792.95	5 421 990.43
Furniture and Fittings	653 589.26	164 318.58	0.00	0.00	817 907.84	411 799.76	88 296.09	0.00	500 095.85	317 811.99
Bins and Containers	575 926.50	0.00	0.00	0.00	575 926.50	458 767.62	24 399.67	0.00	483 167.29	92 759.21
Emergency equipment	1 576 587.36	0.00	0.00	0.00	1 576 587.36	824 088.75	105 629.70	0.00	929 718.45	646 868.91
Motor Vehicles	7 127 594.98	214 652.18	0.00	0.00	7 342 247.16	4 437 954.79	409 654.89	0.00	4 847 609.68	2 494 637.48
Fire Engines	1 599 089.18	549 392.02	0.00	0.00	2 148 481.20	382 551.20	73 067.10	0.00	455 618.30	1 692 862.90
Refuse Tankers	1 265 408.43	0.00	0.00	0.00	1 265 408.43	1 218 140.93	47 267.50	0.00	1 265 408.43	0.00
Water Vehicle	18 442.00	0.00	0.00	0.00	18 442.00	293.19	1 230.05	0.00	1 523.24	16 918.76
Computer Equipment	2 604 149.39	596 576.74	0.00	0.00	3 200 726.13	1 654 605.56	343 849.94	0.00	1 998 455.50	1 202 270.63
	27 159 768.34	**4 229 741.66**	**0.00**	**0.00**	**31 389 510.00**	**17 165 084.53**	**2 338 305.16**	**0.00**	**19 503 389.69**	**11 886 120.31**
Total Property, Plant and Equipment	**309 864 549.15**	**13 209 830.38**	**4 235 770.04**	**0.00**	**327 310 149.57**	**132 265 792.10**	**15 510 644.36**	**0.00**	**147 776 436.46**	**179 533 713.11**
Intangible Assets										
Intangible Assets	2 463 870.13	44 289.48	0.00	0.00	2 508 159.61	2 192 220.50	119 496.51	0.00	2 311 717.01	196 442.60
	2 463 870.13	**44 289.48**	**0.00**	**0.00**	**2 508 159.61**	**2 192 220.50**	**119 496.51**	**0.00**	**2 311 717.01**	**196 442.60**
Total	**312 328 419.28**	**13 254 119.86**	**4 235 770.04**	**0.00**	**329 818 309.18**	**134 458 012.60**	**15 630 140.87**	**0.00**	**150 088 153.47**	**179 730 155.71**

APPENDIX C

OUDTSHOORN MUNICIPALITY : SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND INVESTMENT PROPERTY AS AT 30 JUNE 2009

	Cost					Accumulated Depreciation				Carrying
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Value
Engineers	115 312 377	5 946 135	-	-	121 258 512	49 842 331	7 217 819	-	57 060 150	64 198 362
Operational Manager	136 587	-	-	-	136 587	132 937	2 040	-	134 977	1 610
Waste Management	4 724 750	1 991 656	-	-	6 716 406	2 258 302	368 330	-	2 626 632	4 089 774
Electricity	56 418 563	1 254 608	277 540	-	57 950 710	23 560 215	2 746 535	-	26 306 750	31 643 960
Water	40 527 456	201 151	2 988 012	-	43 716 619	22 230 294	1 308 327	-	23 538 621	20 177 998
Waste Water - Management	24 324 097	56 647	-	-	24 380 744	12 077 088	985 104	-	13 062 192	11 318 552
Finance	5 099 236	391 385	-	-	5 490 621	2 839 202	303 363	-	3 142 565	2 348 056
Corporate Manager	13 683 887	118 893	-	-	13 802 780	4 787 758	464 177	-	5 251 935	8 550 845
Council And General	4 221 751	638 572	-	-	4 860 323	822 070	239 806	-	1 061 876	3 798 447
Mun. Manager And Tourism	269 850	114 047	-	-	383 897	234 181	16 645	-	250 825	133 072
Public Safety	3 848 419	717 678	-	-	4 566 097	1 838 162	199 535	-	2 037 697	2 528 400
Community And Social Service	8 955 487	424 501	970 218	-	10 350 206	3 169 968	388 693	-	3 558 661	6 791 545
Housing And Health	1 773 972	10 392	-	-	1 784 364	1 147 975	37 326	-	1 185 301	599 063
Planning And Development	9 491 609	6 426	-	-	9 498 035	503 737	84 414	-	588 151	8 909 884
Sport And Recreation	23 540 379	1 382 029	-	-	24 922 408	9 013 794	1 268 027	-	10 281 821	14 640 587
TOTAL	**312 328 419**	**13 254 120**	**4 235 770**	**-**	**329 818 309**	**134 458 013**	**15 630 141**	**-**	**150 088 153**	**179 730 156**

APPENDIX D
MAKANA MUNICIPALITY: SEGMENTAL STATEMENT OF
FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009
MUNICIPAL VOTES CLASSIFICATION

2008 Actual Income	2008 Actual Expenditure	2008 Surplus/ (Deficit)	Description	2009 Actual Income	2009 Actual Expenditure	2009 Surplus/ (Deficit)
R	R	R		R	R	R
85 258 430	(51 434 930)	33 823 500	Executive & Council	126 107 717	(39 996 784)	86 110 933
12 004	(19 629 957)	(19 617 953)	Finance & Admin	-	(31 650 352)	(31 650 352)
-	(2 806 073)	(2 806 073)	Planning & Development	-	(4 048 628)	(4 048 628)
5 042 810	(6 820 327)	(1 777 516)	Public Safety	12 892 916	(16 005 252)	(3 112 336)
-	(27 721)	(27 721)	Health	-	(20 059)	(20 059)
-	(3 391 878)	(3 391 878)	Community & Social Services	-	(4 774 792)	(4 774 792)
1 601 445	(11 382 488)	(9 781 043)	Sport & Recreation	1 554 575	(12 728 125)	(11 173 551)
-	(11 881 890)	(11 881 890)	Housing	-	(30 061 581)	(30 061 581)
8 430 844	(7 987 596)	443 247	Waste Management	7 561 874	(12 689 990)	(5 128 116)
762 668	(10 012 583)	(9 249 916)	Road Transport	(312 688)	(24 864 581)	(25 177 270)
13 063 472	(14 066 799)	(1 003 327)	Waste Water Management	14 108 483	(15 160 186)	(1 051 703)
24 343 473	(9 634 567)	14 708 906	Water	23 638 430	(14 766 083)	8 872 347
62 813 149	(44 806 540)	18 006 609	Electricity	76 388 685	(53 736 845)	22 651 840
-	(964 050)	(964 050)	Other	-	(951 117)	(951 117)
201 328 294	**(194 847 399)**	**6 480 895**	Sub-Total	**261 939 991**	**(261 454 375)**	**485 616**
-	-	-	Less: Inter-departemental Charges	-	-	-
201 328 294	**(194 847 399)**	**6 480 895**	**Total**	**261 939 991**	**(261 454 375)**	**485 616**

APPENDIX D1
OUDTSHOORN: SEGMENTAL STATEMENT OF
FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009
GENERAL FINANCE STATISTICS CLASSIFICATION

2008 Actual Income	2008 Actual Expenditure	2008 Surplus/ (Deficit)	Description	2009 Actual Income	2009 Actual Expenditure	2009 Surplus/ (Deficit)
R	R	R		R	R	R
85 258 430	(51 928 416)	33 330 014	Executive & Council	126 107 717	(40 710 714)	85 397 003
12 004	(11 428 262)	(11 416 258)	Budget & Treasury	-	(18 235 269)	(18 235 269)
-	(7 708 210)	(7 708 210)	Corporate Services	-	(12 701 153)	(12 701 153)
-	(2 806 073)	(2 806 073)	Planning & Development	-	(4 048 628)	(4 048 628)
5 042 810	(6 820 327)	(1 777 516)	Public Safety	12 892 916	(16 005 252)	(3 112 336)
-	(27 721)	(27 721)	Health	-	(20 059)	(20 059)
-	(3 391 878)	(3 391 878)	Community & Social Services	-	(4 774 792)	(4 774 792)
1 601 445	(11 382 488)	(9 781 043)	Sport & Recreation	1 554 575	(12 728 125)	(11 173 551)
-	(11 881 890)	(11 881 890)	Housing	-	(30 061 581)	(30 061 581)
8 430 844	(7 987 596)	443 247	Waste Management	7 561 874	(12 689 990)	(5 128 116)
762 668	(10 012 583)	(9 249 916)	Road Transport	(312 688)	(24 864 581)	(25 177 270)
13 063 472	(14 066 799)	(1 003 327)	Waste Water Management	14 108 483	(15 160 186)	(1 051 703)
24 343 473	(9 634 567)	14 708 906	Water	23 638 430	(14 766 083)	8 872 347
62 813 149	(44 806 540)	18 006 609	Electricity	76 388 685	(53 736 845)	22 651 840
-	(964 050)	(964 050)	Other	-	(951 117)	(951 117)
201 328 294	**(194 847 399)**	**6 480 895**	Sub-Total	**261 939 991**	**(261 454 375)**	**485 616**
-	-	-	Less: Inter-departemental Charges	-	-	-
201 328 294	**(194 847 399)**	**6 480 895**	**Total**	**261 939 991**	**(261 454 375)**	**485 616**

APPENDIX E(1)

OUDTSHOORN MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009

	2009 Actual (R)	2009 Total Actual	2009 Budget (R)	2009 Variance (R)	2009 Variance (%)
REVENUE					
Property rates	34 646 156	34 646 156	34 538 278	107 878	0.31%
Property rates - penalties imposed and collection charges	(1 441 480)	(1 441 480)	-	(1 441 480)	0.00%
Service charges	117 796 517	117 796 517	121 216 038	(3 419 521)	-2.82%
Rental of facilities and equipment	1 882 930	1 882 930	2 171 504	(288 574)	-13.29%
Interest earned - external investments	12 394 158	12 394 158	4 000 000	8 394 158	209.85%
Interest earned - outstanding debtors	2 420 123	2 420 123	902 432	1 517 691	168.18%
Fines	3 212 079	3 212 079	2 201 356	1 010 723	45.91%
Licences and permits	1 836 407	1 836 407	3 763 884	(1 927 476)	-51.21%
Income for agency services	7 621 248	7 621 248	-	7 621 248	0.00%
Government grants and subsidies	63 605 934	63 605 934	38 894 718	24 711 216	63.53%
Other income	17 076 479	17 076 479	2 700 777	14 375 702	532.28%
Third Party Payments	118 274	118 274	-	118 274	0.00%
Actuarial gains	771 167	771 167	-	771 167	0.00%
Total Revenue	***261 939 991***	***261 939 991***	***210 388 986***	***51 551 005***	**24.50%**
EXPENDITURE					
Executive & Council	(40 710 714)	(40 710 714)	42 329 018	(83 039 732)	-196.18%
Budget & Treasury	(18 235 269)	(18 235 269)	15 101 431	(33 336 700)	-220.75%
Corporate Services	(12 701 153)	(12 701 153)	10 518 386	(23 219 539)	-220.75%
Planning & Development	(4 048 628)	(4 048 628)	4 866 601	(8 915 229)	-183.19%
Public Safety	(16 005 252)	(16 005 252)	6 743 639	(22 748 891)	-337.34%
Health	(20 059)	(20 059)	-	(20 059)	0.00%
Community & Social Services	(4 774 792)	(4 774 792)	3 895 514	(8 670 306)	-222.57%
Sport & Recreation	(12 728 125)	(12 728 125)	11 068 436	(23 796 562)	-214.99%
Housing	(30 061 581)	(30 061 581)	11 307 812	(41 369 394)	-365.85%
Waste Management	(12 689 990)	(12 689 990)	9 570 087	(22 260 077)	-232.60%
Road Transport	(24 864 581)	(24 864 581)	9 123 960	(33 988 541)	-372.52%
Waste Water Management	(15 160 186)	(15 160 186)	19 398 479	(34 558 664)	-178.15%
Water	(14 766 083)	(14 766 083)	10 869 856	(25 635 939)	-235.84%
Electricity	(53 736 845)	(53 736 845)	53 419 061	(107 155 906)	-200.59%
Other	(951 117)	(951 117)	1 432 379	(2 383 495)	
Total Expenditure	***(261 454 375)***	***(261 454 375)***	***209 644 658***	***(471 099 034)***	**-224.71%**
NET SURPLUS/(DEFICIT) FOR THE YEAR	***523 394 366***	***523 394 366***	***744 328***	***522 650 039***	**70217.75%**

APPENDIX E(2)

OUDTSHOORN MUNICIPALITY: SEGMENTAL ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009
Acquisition of Property, Plant and Equipment

	2009 Actual	2009 Under Construction	2009 Total Additions	2009 Budget	2009 Variance	2009 Variance
	R	R	R	R	R	%
Executive & Council	752 619	-	752 619	-	752 619	0.00%
Finance & Admin	510 278	-	510 278	-	510 278	0.00%
Planning & Development	6 426	-	6 426	-	6 426	0.00%
Public Safety	717 678	-	717 678	-	717 678	0.00%
Health	-	-	-	-	-	0.00%
Community & Social Services	424 501	970 218	1 394 719	474 600	920 119	193.87%
Sport and Recreation	1 382 029	-	1 382 029	1 633 000	(250 971)	-15.37%
Housing	10 392	-	10 392	8 421 752	(8 411 360)	-99.88%
Waste Management	1 991 656	-	1 991 656	350 000	1 641 656	469.04%
Road Transport	5 946 135	-	5 946 135	2 207 000	3 739 135	169.42%
Waste Water Management	56 647	-	56 647	2 413 000	(2 356 353)	-97.65%
Water	201 151	2 988 012	3 189 163	6 527 000	(3 337 837)	-51.14%
Electricity	1 254 608	277 540	1 532 148	3 437 000	(1 904 852)	-55.42%
Environmental Protection	-	-	-	-	-	0.00%
Other	-	-	-	4 506 000	(4 506 000)	-100.00%
Total	**13 254 120**	**4 235 770**	**17 489 890**	**29 969 352**	**(12 479 462)**	-41.64%

APPENDIX F

OUDTSHOORN MUNICIPALITY: DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 200

Grant Description	Balance at 1 JULY 2008	Contributions during year and other income	Operating expenditure during year Transferred to Revenue	Capital expenditure during year Transferred to Revenue	Transfers	Balance at 30 JUNE 2009
	R	R	R	R		R
Equitable Share	R 0.00	R 22 583 315.00	R 22 583 315.00			R 0.00
Garden Route Central Karoo Municipality Cleaning Operation	R 0.00					R 0.00
Spatial Development ODN Prov.	R 0.00					R 0.00
Prodiba Driving License	R 0.00					R 0.00
Section 12 Receipts	R 111 200.20					R 111 200.20
IMBEZO	R 0.00					R 0.00
Development 3 Flats 32 St John Street	R 0.00					R 0.00
Integrated Development Plan	R 0.00					R 0.00
Furniture Mayor & Secretary	R 0.00					R 0.00
Financial Software Grant/Donation	R 30 664.66					R 30 664.66
Integrated housing development	-R 219 433.10	R 31 485 475.28	**R 29 780 921.19**			R 1 485 120.99
Feasibility Study	-R 14 861.20					-R 14 861.20
Recovery Plan	-R 248 545.97					-R 248 545.97
Local Government Financial Management Grant	-R 103 641.24	R 500 000.00	R 234 637.97			R 161 720.79
Municipal Systems Improvement Grant	R 1 000 000.00	R 735 000.00	R 1 589 368.44			R 145 631.56
CDW operational support grant	R 54 000.00	R 72 000.00	R 52 978.95			R 73 021.05
CDQ ward based projects grant	R 0.00	R 90 000.00				R 90 000.00
Library Services	R 293 975.00	R 459 602.00	R 441 036.85			R 312 540.15
Receiling of roads - Eden	R 0.00					R 0.00
Rehabilitation of Sewerage works - Eden	R 858 624.83					R 858 624.83
MIG	R 2 359 524.49	R 6 260 631.00	R 4 811 924.78	R 1 412 138.10		R 2 396 092.61
Electricity 2007 KKNK	R 14 677.97					R 14 677.97
A van Greunen & Department of Transport	R 0.00					R 0.00
NGK D/Rust Electricity Connections 15 plots	R 0.00					R 0.00
K Spies Electricity Connections T/Rust	R 0.00					R 0.00
Ben Vrey Electricity Connections Plot 1393	R 0.00					R 0.00
Van Coller Electricity Connections Plot 7115	R 0.00					R 0.00
Human Resources Development	R 132 800.00					R 132 800.00
ODN Taxi Terminal	R 498 178.42					R 498 178.42
Greater ODN Public Transport	-R 370 988.52					-R 370 988.52
HIGH WAY 34	-R 1 672 339.33					-R 1 672 339.33
MIG - Upgrading Pavements	R 2 815.43					R 2 815.43
ODN Tip sites - Phase 2	R 23 742.60					R 23 742.60
Centrum HIV/AIDS MIG	R 208 868.83					R 208 868.83
MIG 06/07	R 169 124.78					R 169 124.78
Flood Damage DPLG	R 3 405 696.55					R 3 405 696.55
Schoemanshoek Water	-R 90 769.13					-R 90 769.13
Upgrading of Sportfields	R 199 020.92					R 199 020.92
Rehabilitation of Streets	-R 265 171.91					-R 265 171.91
Plan Sewerage Phase	-R 1 973 508.25					-R 1 973 508.25
Eden DM Storm Water Service	R 143 161.61					R 143 161.61
Unspent DORA Grants	R 0.00					R 0.00
Replacement of Water Pipe Eden District Municipality	R 0.00					R 0.00
Tourism Community Training	R 0.00					R 0.00
Matjiesriver Quilt Project	R 0.00					R 0.00
Craft Market Baron v Reede Street	R 0.00					R 0.00
Upgrading Smartie Town Heritage	R 0.00					R 0.00
Road Signs Bong Post Bus Project	R 0.00					R 0.00
Upgrading Sewerage Pipe	R 0.00					R 0.00
Electrification Network Master Plan	R 0.00					R 0.00
NLDTF Construction 13916	R 80 610.69					R 80 610.69
Bicycle Road / Pedestrian FAS (Prov)	R 196 653.09					R 196 653.09
NLDTF Lottery Bridgton Sport Grounds	R 251 621.89					R 251 621.89
Bongolethu Toll Road	R 14 958.28					R 14 958.28
Multiple Community Centre for the Poor	R 5 000 000.00			R 555 576.20		R 4 444 423.80
T/Safety Project D/Clean Eden Municipality	R 0.00					R 0.00
Provincial Housing OMG Impact Stud	R 63 000.00					R 63 000.00
ODN Spatial Development Grant	R 80 000.00					R 80 000.00
Housing Council 54 Houses Sold	R 0.00					R 0.00
Donation N.A Smit	R 117 303.35					R 117 303.35
Umsobomvo Youth Fund	R 0.00	R 124 000.00	***R 14 060.43***			R 109 939.57
Public Transport (PAWK)	R 0.00	R 1 965 000.00	***R 1 965 000.00***	R 161 976.14		-R 161 976.14
Disaster Relief Funds	R 0.00	R 1 546 000.00				R 1 546 000.00
MIG 08/09	R 0.00	R 1 004 500.00				R 1 004 500.00
SETA	R 0.00	R 195 000.00				R 195 000.00
LED Strategy	R 0.00	R 229 926.50				R 229 926.50
Lottery	R 0.00	R 495 000.00		R 3 000.00		R 492 000.00
	#########	**R 67 745 449.78**	#########	#########	**R 0.00**	**R 14 490 480.67**

No grants have been withheld.

APPENDIX G

KLEIN KAROO WATER SCHEME

Index

Contents	*Page*
General Information	52
Approval of the Financial Statements	53
Statement of Financial Position	54
Statement of Financial Performance	55
Statement of Changes In Net Assets	56
Cash Flow Statement	57
Notes to the Financial Statements	58 - 72

APPENDICES

A	Schedule of External Loans	73

KLEIN KAROO WATER SCHEME

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

GENERAL INFORMATION

NATURE OF BUSINESS

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

ACTING MUNICIPAL MANAGER

CHIEF FINANCIAL OFFICER

REGISTERED OFFICE

AUDITORS

The Auditor-General

PRINCIPLE BANKERS

The Standard Bank of S.A. Ltd

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

KLEIN KAROO WATER SCHEME

WARD **COUNCILLOR**

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

W Rabbets **Date**
Acting Municipal Manager

KLEIN KAROO WATER SCHEME

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

	Notes	2009 R	2008 R
NET ASSETS AND LIABILITIES			
Net Assets		**23 396 467**	**19 671 789**
Capital Replacement Reserve	**2**	30 000	30 000
Accumulated Surplus/(Deficit)		23 366 467	19 641 789
Non-Current Liabilities		**356 835**	**613 611**
Long-term Liabilities	**3**	356 835	613 611
Current Liabilities		**249 010**	**407 824**
Short-term Employee Benefits	**4**	129 922	121 103
Trade and other payables	**5**	273 115	59 033
Taxes	**6**	(410 803)	-
Current Portion of Non-Current Liabilities	**3**	256 776	227 688
Total Net Assets and Liabilities		**24 002 312**	**20 693 224**
ASSETS			
Non-Current Assets		**1 166 989**	**840 818**
Property, Plant and Equipment	**7**	1 166 989	840 818
Current Assets		**22 835 323**	**19 852 405**
Trade Receivables from exchange transactions	**8**	3 229 344	2 484 304
Other Receivables from non-exchange transactions	**9**	11 930 553	11 914 663
Taxes	**6**	-	42 644
Cash and Cash Equivalents	**10**	7 675 426	5 410 794
Total Assets		**24 002 312**	**20 693 223**

KLEIN KAROO WATER SCHEME

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 R	2008 R
REVENUE			
Revenue from Non-exchange Transactions		**4 990 419**	**4 498 831**
Transfer Revenue		**4 990 419**	**4 498 831**
Government Grants and Subsidies	**11**	4 990 419	4 498 831
Revenue from Exchange Transactions		**3 500 577**	**5 468 035**
Water Sales		3 483 171	3 924 060
Interest Earned - external investments		-	1 524 686
Rent of Facilities and Equipment		-	-
Other Income	**12**	17 406	19 289
Total Revenue		**8 490 996**	**9 966 866**
EXPENDITURE			
Employee related costs	**13**	2 067 017	2 068 614
Depreciation and Amortisation		309 200	185 266
Finance Charges - Finance Leases		89 040	68 514
Repairs and Maintenance		715 494	477 462
Contracted services		244 709	27 009
Grants and Subsidies Paid	**14**	-	117 077
General Expenses	**15**	1 340 859	1 104 654
Total Expenditure		**4 766 318**	**4 048 596**
Operating Surplus for the Year		**3 724 678**	**5 918 270**
Loss on disposal of Property,Plant and Equipment		-	-
Gain on disposal of Property, Plant and Equipment		-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		**3 724 678**	**5 918 270**

KLEIN KAROO WATER SCHEME

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	Pre-GRAP Reserves	Capital Replacement Reseve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
Balance at 1 JULY 2007			13 723 520	13 723 520
Change in accounting policy - Implementation of GRAP - Note 16.5			-	-
Net Surplus/(Deficit) for the year			5 918 270	5 918 270
Change in accounting policy - Note 16.5			-	-
Donated/contributed PPE			-	-
Property, Plant and Equipment purchased			-	-
Capital Grants used to purchase PPE			-	-
Transfer to Housing Development Fund			-	-
Asset Disposals			-	-
Offsetting of depreciation			-	-
Balance at 30 JUNE 2008		**-**	**19 641 789**	**19 641 790**
Correction of Error		-	-	-
Restated balance		**-**	**19 641 789**	**19 641 790**
Net Surplus/(Deficit) for the year			3 724 678	7 683 508
Transfer to/from CRR			-	-
Revaluation of PPE			-	-
Property, Plant and Equipment purchased			-	-
Capital Grants used to purchase PPE			-	-
Transfer to Housing Development Fund			-	-
Write-offs			-	-
Asset Disposals			-	-
Offsetting of depreciation			-	-
Balance at 30 JUNE 2009		**-**	**23 366 467**	**27 325 298**

KLEIN KAROO WATER SCHEME

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		7 361 908	(3 593 340)
Cash paid to suppliers and employees		(4 145 177)	(7 056 011)
Cash generated/(absorbed) by operations	**18**	3 216 731	(10 649 351)
Interest Received		-	1 524 686
Interest Paid		(89 040)	(68 514)
Net Cash from Operating Activities		**3 127 690**	**(9 193 180)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(635 371)	(485 800)
Proceeds on Disposal of Fixed Assets		-	-
Net Cash from Investing Activities		**(635 371)**	**(485 800)**
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(227 688)	334 851
Increase/(Decrease) in Consumer Deposits		-	-
Net Cash from Financing Activities		**(227 688)**	**334 851**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2 264 631**	(9 344 129)
Cash and Cash Equivalents at the beginning of the year		5 410 794	14 754 923
Cash and Cash Equivalents at the end of the year	**19**	7 675 426	5 410 794
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2 264 632**	**(9 344 129)**

		2009 R	2008 R
2	**NET ASSET RESERVES**		
	RESERVES	30 000	30 000
	Capital Replacement Reserve	30 000	30 000
	Total Net Asset Reserve and Liabilities	**30 000**	**30 000**
3			
	Capitalised Lease Liability - At amortised cost	613 611	841 299
		613 611	**841 299**
	Less: Current Portion transferred to Current Liabilities	**(256 776)**	**(227 688)**
	Capitalised Lease Liability - At amortised cost	(256 776)	(227 688)
		356 835	**613 611**
	Less: Unamortised charges on loans	**-**	**-**
	Balance 1 July	-	-
	Adjustment for the period	-	-
	Restatement of prior year comparitives - Note	-	-
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	**356 835**	**613 611**
	The obligations under finance leases are scheduled below	**Minimum lease payments**	
	Amounts payable under finance leases		
	Payable within one year	316 728	316 728
	Payable within two to five years	416 023	732 751
	Payable after five years	-	-
		732 751	1 049 479
	Less: Future finance obligations	(119 140)	(208 180)
	Present value of lease obligations	**613 611**	**841 299**
	Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured		
	Leases are secured by property, plant and equipment - Note 7		
4	**SHORT-TERM EMPLOYEE BENEFITS**		
	Staff Leave	129 922	121 103
	Total Provisions	**129 922**	**121 103**
	The movement in current provisions are reconciled as follows		
	Staff Leave		
	Balance at beginning of year	121 103	-
	Contribution to provision	8 819	121 103
	Expenditure incurred	-	-
	Balance at end of year	**129 922**	**121 103**

		2009 R	2008 R
4	**SHORT-TERM EMPLOYEE BENEFITS (Continued)**		
	TOTAL - CURRENT PROVISIONS		
	Balance at beginning of year	121 103	-
	Transfer to Trade Payables	-	-
	Contribution to provision	8 819	121 103
	Expenditure incurred	-	-
	Balance at end of year	**129 922**	**121 103**
5	**TRADE AND OTHER PAYABLES**		
	Trade Payables	61 446	36 040
	Advance - Oudtshoorn Municipality	-	-
	Less: Correction of Error - Note 17.1	-	-
	Balance at 30 JUNE 2008	61 446	36 040
	Other Creditors	211 669	22 993
	Total Trade Payables	**273 115**	**59 033**
6	**TAXES**		
	VAT Payable	(410 803)	-
	VAT Receivable	-	42 644

		2009 R	2008 R
7	**PROPERTY, PLANT AND EQUIPMENT**		

See attached sheet

		2009 R	2008 R
8	**TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Water	3 219 741	2 474 701
	Other Receivables	-	-
	Total: Trade receivables from exchange transactions (before provision)	**3 219 741**	**2 474 701**
	Provision for Impairments	9 603	9 603
	Total: Trade receivables from exchange transactions (after provision)	**3 229 344**	**2 484 304**
	The fair value of other receivables approximate their carrying value		
	(Water): Ageing		
	Current (0 - 30 days)	261 311	464 015
	31 - 60 Days	189 367	169 229
	61 - 90 Days	739 295	170 757
	+ 90 Days	2 029 768	1 680 303
	Total	**3 219 741**	**2 484 304**
	Reconciliation of Provision for Bad Debts		
	Balance at beginning of year	9 603	-
	Contribution to provision	-	9 603
	Bad Debts (written off)	-	-
	Balance at end of year	**9 603**	**9 603**
	The total amount of this provision is R 9,603 and consist of		
	Other Debtors	9 603	9 603
	Total Provision for Bad Debts on Trade Receivables from exchange transactions	**9 603**	**9 603**

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

9	**OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Capital - Water	187 783	187 783
	Loan Account - Oudtshoorn Municipality	11 742 770	11 726 880
		11 930 553	11 914 663
	Less: Provision for bad debts	-	-
	Total Other Receivables from non-exchange transactions	**11 930 553**	**11 914 663**

The fair value of other receivables approximate their carrying value

		2009 R	2008 R
10	**CASH AND CASH EQUIVALENTS**		
	Assets		
	Call Investments Deposits	-	-
	Primary Bank Account	7 675 426	5 410 794
	Total Cash and Cash Equivalents - Assets	**7 675 426**	**5 410 794**
	Liabilities		
	Primary Bank Account	-	-
	Total Cash and Cash Equivalents - Liabilities	**-**	**-**
	The municipality has the following bank accounts		
	Current Accounts		
	Standard Bank Limited – Oudtshoorn Branch Account Number 08279733:	7 675 426	5 410 794
		7 675 426	**5 410 794**
	Standard Bank Limited – Oudtshoorn Branch Account Number 082797331		
	Cash book balance at beginning of year	5 410 794	14 754 923
	Cash book balance at end of year	7 675 426	5 410 794
	Bank statement balance at beginning of year	5 772 142	1 609 805
	Bank statement balance at end of year	2 829 068	5 772 142
	ABSA account		
	Bank statement balance at beginning of year	-	6 747 698
	Bank statement balance at end of year	-	-
11	**GOVERNMENT GRANTS AND SUBSIDIES**		
	DWAF	4 990 419	4 498 831
	DWAF capital grants	-	-
	Total Government Grants and Subsidies	**4 990 419**	**4 498 831**
	The municipality does not expect any significant changes to the level of grants		
	Unspend conditional Dora, specific grants are instructed by use to conditions contain in the grant business pla where the grants are unspent or not committed such funds will be revered back to National Treasury		

		2009 R	2008 R
12	**OTHER INCOME**		
	Tariff Charges other	-	-
	Commission- Electricity sales	-	-
	Commission- Surcharges	-	-
	Photostat copies	-	-
	Sale of sand	-	-
	Sundry income	17 406	19 289
	Surplus cash	-	-
	Sale of erven	-	-
	Total Other Income	**17 406**	**19 289**
13	**EMPLOYEE RELATED COSTS**		
	Employee Related Costs - Salaries and Wages	1 210 464	1 262 098
	Employee Related Costs - Contributions for UIF, Pensions and Medical Aid	360 173	334 699
	Travel, Motor Car, Accommodation, Subsistence and Other Allowances	86 996	39 562
	Housing Benefits and Allowances	18 739	18 188
	Overtime Payments	252 434	184 950
	Bonuses	138 210	108 014
	Provision for leave	-	121 103
		2 067 017	2 068 614
	Less: Employee Costs allocated elsewhere	-	-
	Total Employee Related Costs	**2 067 017**	**2 068 614**
14	**GRANTS AND SUBSIDIES PAID**		
	DWAF Ground Water Investigation	-	117 077
	Total Grants and Susidies	**-**	**117 077**
15	**GENERAL EXPENSES**		
	General Expenses	**1 340 859**	**1 104 654**

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees

		2009 R	2008 R
16	**CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 - IMPLEMENTATION OF GRAP**		
	The following adjustments were made to amounts previously reported in the annual financia statements of the Municipality arising from the implementation of GRAP:		
			1 July 2006 **R**
16.1	**Statutory Funds**		
	Balance previously reported:		
	Maintenance		-
	Total		**-**
	Implementation of GRAP		
	Transfer to the Capital Replacement Reserve		-
	Total		**-**
16.2	**Long-term Liabilities**		
	Balance previously reported:		**-**
	Implementation of GRAP		-
	Finance Leases recognised in terms of GRAP 13		-
	Total		**-**
16.3	**Property, Plant and Equipment - GRAP 17**		
	Balance previously reported		**-**
	Implementation of GRAP		
	Assets Identified for the first time		-
	Finance Leases Recognised in Terms of GRAP 13		-
	Total		**-**
16.4	**Accumulated Depreciation - GRAP 17**		
	Balance previously reported		
	Assets Identified for the First Time		**-**
	Backlog Depreciation: Leased Assets		-
	Backlog Depreciation: Other Assets		-
	Transfer to Accumulated Surplus/(Deficit) - Note 16.5		**-**
16.5	**Accumulated Surplus/(Deficit)**		
	Implementation of GRAP		
	Long Term Liabilities - Note 16.2		-
	Property, Plant and Equipment - Note 16.3		-
	Backlog Depreciation - Note 16.4		-
	Total		**-**

			2009 R	2008 R
17		**CORRECTION OF ERROR IN TERMS OF GRAP 3**		
	17.1	**Cash & Cash Equivelants**		
		Balance previously reported		-
		Correction of Bank Balance		-
		Restated Balance		**-**
	17.2	**Accumulated Surplus/(Defecit)**		
		Balance previously reported		**-**
		Cash & Cash Equivelants - Note 17.1		**-**
		Restated Balance		**-**
18		**RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS**		
		Surplus/(Deficit) for the year	3 724 678	5 918 270
		Adjustments for:		
		Depreciation and amortisation	309 200	185 266
		Amortisation of Intangible Assets	-	
		(Gain)/Loss on disposal of property, plant and equipmen	-	
		Contribution to provisions – current	8 819	121 103
		Contribution to provisions – current - Expenditure incurred	-	
		Contribution to provisions – Bad debt	-	(9 552)
		Bad debts written off		
		Operating lease income accrued	-	
		Operating lease expenses accrued		
		Interest Paid	89 040	68 514
		Investment income	-	(1 524 686)
		Operating Surplus/(Deficit) before changes in working capita	4 131 737	4 758 915
		Changes in working capita	(915 006)	(15 408 267)
		Increase/(Decrease) in Trade and Other Payables	214 082	(3 372 746)
		Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	-	-
		Increase/(Decrease) in Unspent Conditional Public Contributions and Receipt	-	-
		Increase/(Decrease) in Taxes	(368 158)	(42 644)
		(Decrease)/increase in housing development fund	-	-
		Increase/(Decrease) in Operating Lease Liability	-	
		(Increase)/Decrease in Inventory	-	-
		(Increase)/Decrease in Trade Receivables from exchange transactions	(745 040)	(78 214)
		(Increase)/Decrease in Other Receivables from non-exchange transactions	(15 890)	(11 914 663)
		(Increase)/Decrease in Operating Lease Asset	-	
		Cash generated/(absorbed) by operations	**3 216 731**	**(10 649 352)**

		2009 R	2008 R
19	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents included in the cash flow statement comprise the following		
	Bank - Note 10	7 675 426	5 410 794
	Total cash and cash equivalents	**7 675 426**	**5 410 794**
20	**UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**		
	Long-term Liabilities - Note 3	613 611	841 299
	Used to finance property, plant and equipment - at cost	(613 611)	(841 299)
		-	-
	Cash set aside for the repayment of long-term liabilities		
	Cash invested for repayment of long-term liabilities	**-**	**-**
	Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act		
21	**UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**		
21.1	**Unauthorised expenditure**		
	Reconciliation of unauthorised expenditure		
	Opening balance	-	-
	Unauthorised expenditure current year	-	-
	Approved by Council or condoned	-	-
	Transfer to receivables for recovery		
	Unauthorised expenditure awaiting authorisation	**-**	**-**

Incident		Disciplinary steps/criminal proceedings

		2009 R	2008 R
21.2	**Fruitless and wasteful expenditure**		
	Reconciliation of fruitless and wasteful expenditure		
	Opening balance	-	
	Fruitless and wasteful expenditure current year		
	Condoned or written off by Council		
	Transfer to receivables for recovery - not condoned		
	Fruitless and wasteful expenditure awaiting condonement	**-**	**-**

Incident		Disciplinary steps/criminal proceedings
None		*None*

		2009 R	2008 R
21.3	**Irregular expenditure**		
	Reconciliation of irregular expenditure		
	Opening balance	-	-
	Irregular expenditure current year	-	-
	Condoned or written off by Council		
	Transfer to receivables for recovery - not condoned		
	Irregular expenditure awaiting condonement	**-**	**-**

Incident **Disciplinary steps/criminal proceedings**

		2009 R	2008 R
22	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
22.1	**Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS**		
	Opening balance	-	
	Council subscriptions	466	
	Amount paid - current year	(466)	
	Amount paid - previous years		
	Balance unpaid (included in creditors)	**-**	**-**
22.2	**Audit fees - [MFMA 125 (1)(b)]**		
	Opening balance	-	-
	Current year audit fee	-	-
	External Audit - Auditor-Genera	-	-
	Internal Audit	-	-
	Audit Committee	-	-
	Amount paid - current year	-	-
	Amount paid - previous year	-	-
	Balance unpaid (included in creditors)	**-**	**-**
22.3	**VAT - [MFMA 125 (1)(b)]**		
	Opening balance	-	-
	Amounts received - current year	-	-
	Amounts claimed - current year (payable)	-	-
	Amount paid - current year	-	-
	Amount paid - previous year	-	-
	Closing balance	**-**	**-**
22.4	**PAYE and UIF - [MFMA 125 (1)(b)]**		
	Opening balance	-	-
	Current year payroll deductions	62 811	715 832
	Amount paid - current year	(62 811)	(715 832)
	Balance unpaid (included in creditors)	**-**	**-**
22.5	**Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]**		
	Opening balance	-	-
	Current year payroll deductions and Council Contribution	171 067	1 037 011
	Amount paid - current year	(171 067)	(1 037 011)
	Amount paid - previous year	-	-
	Balance unpaid (included in creditors)	**-**	**-**

		2009 R	2008 R

23 RETIREMENT BENEFIT INFORMATION

Council employees contribute to the Cape Joint Municipal Pension Fund, SALGA and SAMWU National Provident Fund which is a defined contribution fund. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs. Full actuarial valuations are performed at least every five years. The last valuations was done on 30 June 2008

24 FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions

(b) Interest Rate Risk

The Municipality is exposed to interest rate risk due to the movements in long-term and short term interest rates.

This risk is managed on an ongoing basis.

(c) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.

For banks and financial institutions, only independently rated parties with a minimum rating of 'B+' are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non- payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and an appropriate level of impairment provision for default is maintained.

(d) Liquidity Risk

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The Council monitors the cash projections and by ensuring that borrowing facilities are available to meet its cash requirements

(e) Other Risks

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the CFO and authorised by the Municipal Counci

24 FINANCIAL RISK MANAGEMENT (Continued)

Consumer debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where

	2009 R	2008 R
The maximum credit and interest risk exposures in respect of the relevant financial instruments are as follows:		
Trade receivables from exchange transactions	7 736 035	2 484 304
Other receivables from non-exchange transactions	11 930 553	11 914 663
Taxes	-	42 644
Bank and Cash Balances	7 675 426	5 410 794
Maximum Credit and Interest Risk Exposures	**27 342 014**	**19 852 405**

25 FINANCIAL INSTRUMENTS

In accordance with IAS 39.09 the financial seets of the municipality are classified as follows

Financial Assets	**Classification**		
Consumer Debtors			
Trade receivables from exchange transactions	Loans and Receivables	7 736 035	2 484 304
Other receivables from non-exchange transaction	Loans and Receivables	11 930 553	11 914 663
Other Debtors			
VAT	Loans and Receivables	-	42 644
Bank Balances and Cash			
Bank Balances	Held to maturity	7 675 426	5 410 794
Financial Liability	**Classification**		
Current Liabilities			
Trade and other payables	Loans and Payables	273 115	59 033

			2009 R	2008 R
SUMMARY OF FINANCIAL ASSETS				
Held to maturity:				
Bank Balances			7 675 426	5 410 794
			7 675 426	**5 410 794**
Loans and Receivables				
Consumer Debtors	Exchange transactions		7 736 035	2 484 304
Consumer Debtors	Non-exchange transactions		11 930 553	11 914 663
VAT	VAT		-	42 644
			19 666 588	**14 441 611**
Total Financial Assets			**27 342 014**	**19 852 405**
SUMMARY OF FINANCIAL LIABILITIES				
Loans and Payables				
Long-term Liabilities	External Loans		356 835	613 611
Trade and other payables	Creditors		273 115	59 033
			629 950	**672 644**
Total Financial Liabilities			**629 950**	**672 644**

26 EVENTS AFTER THE REPORTING DATE

The Municipality is not aware of any events after the reporting date

27 IN-KIND DONATIONS AND ASSISTANCE

None

28 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

29 COMPARISON WITH THE BUDGET

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E (1) and E (2)".

30 CONTINGENT LIABILITY

Claims against Council	-	-

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

Description of event	-	-

			2009 R	2008 R
31	**RELATED PARTIES**			
	Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.			
31.1	**Related Party Transactions**			

	Rates	Service Charges	Other	Outstanding Balances
Year ended 30 JUNE 2009				
Councillors	-	-	-	-
Municipal Manager and Section 57 Employees	-	-	-	-
Year ended 30 JUNE 2008				
Councillors		-	-	-
Municipal Manager and Section 57 Employees	-	-	-	-

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

31.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 18 to the Annual Financial Statements

31.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 29 to the Annual Financial Statements.

31.4 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interes

Councillor/Staff Member	Entity

32 Process to comply fully with the implementation of General Recognised Accounting

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a low capacity municipality and must comply with GRAP by 30 June 2010.

33 Exemptions taken according to those in Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.

33.1 GRAP 19 -Provisions, Contingent Liabilities and Contingent Assets

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise the following provisions, contingent liabilities or contingent assets relating to Property, Plant and Equipment:

Refuse tip-sites financed by way of a provision

The municipality is currently in a process of identifying all provisions which must be measured in terms of GRAP 19 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

Since the previous reporting date the following provisions were measured in accordance with GRAP 19 and restated retrospectively:

Refuse tip-sites financed by way of a provision	-	-
Post retirement benefits	-	-
	-	-

33.2 GRAP 100 -Non-current assets and discontinued operations

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise non-current assets held for sale and discontinued operations relating to Inventories, Investment Properties, Property, Plant and Equipment, Agriculture and Intangible Assets which are not recognised in terms of the transitional provisions relating to those standards:

33.3 GRAP 16 - Investment Properties

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise all the Investment Properties:

The municipality is currently in a process of identifying all Investment Properties and have it valued in terms of GRAP 16 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

Since the previous reporting date the following Investment Properties were measured at fair value in accordance with GRAP 16 and restated retrospectively:

	2008 R	2007 R
Land with undetermined use	-	-
Land;	-	-
Buildings; and	-	-
Land and Buildings.	-	-
Total not previously recognised now restated retrospectively	-	-

33.4 GRAP 102 - Intangible Assets

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise or measure all the Intangible Assets in accordance with the standard, including the following:

Computer Software;
Intangible assets financed by way of finance leases
Intangible assets transferred as a result of the transfer of functions; and
Servitudes.

The municipality is currently in a process of identifying all Intangible Assets and have it valued in terms of GRAP 102 and it is expected that this process will be completed for inclusion in the 2010 financial statements. It is possible that certain intangible assets are currently being recognised as Property, Plant and Equipment.

Since the previous reporting date the following Intangible Assets were measured in accordance with GRAP 102 and restated retrospectively:

Computer software;	-	-
Accumulated amortisation on computer software	-	-
Total not previously recognised now restated retrospectively	-	-

33.5 GRAP 12 - Inventories

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise the following inventories:

Water;
Land held for sale; and
Other (list).

The municipality is currently in a process of identifying all inventory which must be measured in terms of GRAP 12 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

Since the previous reporting date the following inventories were measured in accordance with GRAP 12 and restated retrospectively:

Water;	-	-
Land held for sale; and	-	-
Other (list).	-	-
	-	-

33.6 GRAP 17 - Property, Plant and Equipment

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 13

7 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2009

Reconciliation of Carrying Value	Lease Assets R	Other R	Total R
Carrying value at 1 JULY 2008	785 925	54 893	840 818
Cost	1 184 600	270 926	1 455 526
Original Cost	1 184 600	270 926	1 455 526
Change in Accounting Policy - Note 16.3	-	-	-
Revaluation	-	-	-
Accumulated Depreciation	(398 675)	(216 033)	(614 708)
Original Cost	(398 675)	(216 033)	(614 708)
Revaluation	-	-	-
Acquisitions	-	635 371	635 371
Depreciation	(236 920)	(72 280)	(309 200)
Normal Depreciation	(236 920)	(72 280)	(309 200)
Backlog Depreciation previously not recorded			-
Carrying value of disposals	-	-	-
Cost		-	-
Accumulated Depreciation		-	-
Impairment losses	-	-	-
Cost	-	-	-
Accumulated Depreciation	-	-	-
Carrying value at 30 JUNE 2009	549 005	617 984	1 166 989
Cost	1 184 600	906 297	2 090 897
Original Cost	1 184 600	906 297	2 090 897
Revaluation	-	-	-
Accumulated Depreciation	(635 595)	(288 313)	(923 908)
Original Cost	(635 595)	(288 313)	(923 908)
Revaluation	-	-	-

30 JUNE 2008

Reconciliation of Carrying Value	Lease Assets R	Other R	Total R
Carrying value at 1 JULY 2007	464 225	76 109	540 334
Cost	698 800	270 926	969 726
Original Cost	698 800	270 926	969 726
Change in Accounting Policy	-	-	-
Accumulated Depreciation	(234 575)	(194 817)	(429 392)
Original Cost	(234 575)	(194 817)	(429 392)
Change in Accounting Policy	-	-	-
Acquisitions	485 800	-	485 800
Depreciation	(164 100)	(21 216)	(185 316)
Normal Depreciation	(164 100)	(21 216)	(185 316)
Backlog Depreciation previously not recorded	-	-	-
Carrying value of disposals	-	-	-
Cost	-	-	-
Accumulated Depreciation	-	-	-
Impairment losses	-	-	-
Cost	-	-	-
Accumulated Depreciation	-	-	-
Carrying value at 30 JUNE 2008	785 925	54 893	840 818
Cost	1 184 600	270 926	1 455 526
Original Cost	1 184 600	270 926	1 455 526
Revaluation			-
Accumulated Depreciation	(398 675)	(216 033)	(614 708)
Original Cost	(398 675)	(216 033)	(614 708)
Revaluation			-

The leased property, plant and equipment is secured as set out in Note 3.

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise or measure all the Property, Plant and Equipment in accordance with the standard, including the following:

Land;
Property, Plant and Equipment financed by way of finance leases;
Property, Plant and Equipment financed by way of provisions;
Property, Plant and Equipment transferred as a result of the transfer of functions; and
Componentised infrastructure assets.

The municipality is currently in a process of identifying all Property, Plant and Equipment and have it valued in terms of GRAP 17 and it is expected that this process will be completed for inclusion in the 2010 financial statements. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2010. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the

The municipality did not measure the following, in terms of the transitional provisions

• Review of useful life of item of PPE recognised in the annual financial statements.
•Review of the depreciation method applied to PPE recognised in the annual financial statements
• Review of residual values of item of PPE recognised in the annual financial statements.
• Impairment of non-cash generating assets.
• Impairment of cash generating assets.

APPENDIX A
KLEIN KAROO WATER SCHEME
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2008	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2009	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
LONG-TERM LOANS									
Stock Loan				-	-	-	-	-	-
Total Long-term Loans				-	-	-	-	-	-
ANNUITY LOANS									
Administation/Finance Loan				-	-	-	-	-	-
Total Annuity Loans				-	-	-	-	-	-
GOVERNMENT LOANS									
Other				-	-	-	-	-	-
Total Government Loans				-	-	-	-	-	-
LEASE LIABILITY									
AOT FINANCE	7.46%	GESTETNER DMS622	2010/10/31	506 447	485 800	150 949	841 299	-	-
Total Lease Liabilities				**506 447**	**485 800**	**150 949**	**841 299**	-	-
TOTAL EXTERNAL LOANS				**506 447**	**485 800**	**150 949**	**841 299**	-	-